



We Promote Sustainability

Sustainability Report 2020

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This is an unofficial translation of the Nachhaltigkeitsbericht 2020 (German Sustainability Report 2020) and is provided for convenience purposes only. In the event of any ambiguity, the German text will prevail.

Foreword by the Managing Board



Dear Readers,

Sustainable urban and neighbourhood development, resource-efficient circular economy, environmentally friendly mobility, climate-friendly energy supply and equal opportunities in education and digitalisation – in our capacity as the promotional bank for the State of North Rhine-Westphalia, we support and accompany enterprises and municipalities in improving the living conditions in NRW. After all, sustainable action is not only our statutory mission, but also a central guiding principle and essential criterion in our business policy decisions. We promote ideas and innovations that strengthen environmental, economic and social sustainability in North Rhine-Westphalia and thus support the transformation of the state towards a low-emission and climate-resilient economy.

NRW.BANK has set itself ambitious goals: In our revised Sustainability Guidelines, we commit ourselves to aligning our product and service portfolio with the aim of largely achieving climate neutrality by 2050. We thus support our owner, the State of North Rhine-Westphalia, in implementing its sustainability strategy and reaching the climate targets of the Paris Agreement. We are fully committed to creating a harmonious balance between ecology, economy and social issues. In doing so, we are guided by established and meaningful sustainability initiatives, such as the ten principles of the UN Global Compact and the Principles for Responsible Investment. The present Sustainability Report is based on the criteria of the German Sustainability Code and follows the requirements of EU Directive 2014/95/EU.

We promote what moves NRW. Company founders, start-ups, SMEs, housing companies and municipalities benefit from our customised promotional loans, equity products and advisory services. In 2020, we achieved a new commitment volume of € 17.0 billion – a 65% increase compared to the previous year (€ 10.3 billion). Of this total, € 3.9 billion was coronavirus-related aid. Demand for sustainable financing picked up as well, which proves that the economy and society have become aware of the relevance

of sustainability and take advantage of the corresponding offers. In the promotional theme "Energy Transition/Environmental Protection" alone NRW.BANK granted a total of € 4.3 billion in 2020. This represents an increase by well over 100% compared to the previous year (€ 1.6 billion).

We have also expanded our instruments in the sustainable bond segment. We were the first German promotional bank to issue a social bond with a volume of € 1 billion and a term of 15 years. The NRW.BANK.Social Bond is used to refinance projects in North Rhine-Westphalia that have a positive impact on society. This includes the funding of projects that make home ownership possible for families with low incomes, maintain or create jobs or assist local authorities, e.g. with regard to school education. The new bond was oversubscribed three times. In 2020, we also successfully issued the ninth NRW.BANK.Green Bond with a volume of € 500 million.

Our understanding of sustainability also includes acting as a sustainable and responsible employer ourselves. For several years now, NRW.BANK's banking operations have been completely climate-neutral. We use climate certificates to offset emissions that cannot be avoided.

Great importance is attached to the needs and requirements of our employees. The working atmosphere is characterised by respectful cooperation and fair, cooperative and appreciative interaction. This is evidenced by several awards we received in 2020. Once again, we were voted among the top ten best employers and the best vocational training companies. Also, we again received the "Top Career Opportunities for Women" seal. All aspects of our sustainable activities come together in an award that we received for the first time: NRW.BANK was named Germany's most sustainable company in the "State and Promotional Banks" category by F.A.Z. Institute.

The following pages of our Sustainability Report will give you an idea of what we do to improve the lives of present and future generations in North Rhine-Westphalia in economic, environmental and social terms. We wish you informative reading.

The Managing Board of NRW.BANK

Eckhard Forst
Chairman of the Managing Board

Gabriela Pantrig
Member of the Managing Board

Michael Stöltzing
Member of the Managing Board

Dietrich Suhlrie
Member of the Managing Board

Profile of NRW.BANK and Key Performance Indicators

NRW.BANK is the promotional bank of North Rhine-Westphalia (NRW). Its mission is to support its owner, the State of North Rhine-Westphalia, in the completion of its structural and economic policy tasks. In its three promotional fields, "Economy", "Housing" and "Infrastructure/Municipalities", NRW.BANK uses a wide range of promotional tools – from low-interest promotional loans to equity financing to advisory services. It cooperates with all banks and savings banks on a competition-neutral basis. The clients of NRW.BANK benefit from favourable conditions as well as from long maturities and fixed interest periods. The Bank secures access to promotional loans through optional liability releases for on-lending house banks.

It is a strong and reliable partner to small and medium-sized enterprises in North Rhine-Westphalia and supports them with the right products in any phase of their lifecycles.

In the context of subsidised housing construction, NRW.BANK advises the approval authorities of the responsible municipal or local governments as well as prospective developers and owners on the possibilities to make social housing construction modern, flexible and profitable using the right promotional programmes.

Municipal financing also forms part of NRW.BANK's public mission. The Bank is the ideal partner of the North Rhine-Westphalian municipalities, which it supports with advisory services and promotional products also in times of low interest rates.

This is already the sixth time that NRW.BANK publishes a separate Sustainability Report which is based on the criteria of the [German Sustainability Code](#). This ensures that the progress made is presented in a transparent manner.

Sustainability Balance

Economic Performance Indicators	2020	2019	2018	Unit
Financial performance indicators				
Total assets	155,787	149,235	149,083	€ millions
Equity capital pursuant to the German Commercial Code (HGB)	17,985	17,984	17,984	€ millions
Net interest and net commission income	802	737	698	€ millions
Administrative expenses	273	263	249	€ millions
Operating result	308	195	196	€ millions
Common Equity Tier 1 (CET1) capital ratio	43.9	43.5	41.6	%
Leverage ratio	11.2	11.1	11.2	%
Liquidity coverage ratio	260	221	262	%
NRW.BANK.Green Bonds (new issues)				
Volume	500	1,000	500	€ millions
Maturity	10	10	10	years
Focus	Energy	Energy	Energy	
Second party opinion	ISS ESG	ISS ESG	oekom research	
Capture of CO ₂ equivalents per year	220	260	614	t/€ m
NRW.BANK.Social Bond (new issue)				
Volume	1,000	-	-	€ millions
Maturity	15	-	-	years
Second party opinion	ISS ESG	-	-	
Promotional fields (new commitments)				
Economy	5,642	2,737	3,592	€ millions
Housing	3,728	2,624	2,215	€ millions
Infrastructure/Municipalities	7,645	4,930	4,487	€ millions

Sustainability Balance

Social Performance Indicators	2020	2019	2018	Unit
Employee structure				
Number of permanent employees	1,421	1,392	1,365	employees
Share of women in total workforce	50.8	51.9	51.9	%
Share of women in management positions	33.1	34.1	32.9	%
Share of part-time employees in total workforce	39.3	38.0	33.5	%
Turnover ratio	3.9	3.7	2.9	%
Average period of employment	16.5	16.6	16.6	years
Average age	45.9	45.7	45.4	years
Additionally: temporary employees	57	40	36	employees
Additionally: apprentices/trainees	52	52	49	employees
Vocational and further training				
Participation in internal seminars	598	1,030	753	employees
Participation in external seminars	624	564	524	employees
In-house trainers	222	209	202	employees
Balance of work and family life				
Part-time employees	558	529	457	employees
Executives working part-time	71	69	47	employees
Employees on leave according to BEEG and LGG ¹⁾	47	40	35	employees
Corporate citizenship				
Total	1.2	0.8	0.8	€ millions
Science & Education	37	46	48	%
Society & Social Affairs	37	19	14	%
Arts & Culture	26	35	38	%

Sustainability Balance

Environmental Performance Indicators	2020	2019	2018	Unit
Greenhouse gas emissions²⁾				
Total emissions	1,641	2,009	1,861	t CO ₂ e
thereof direct emissions (Scope 1 ³⁾	357	521	423	t CO ₂ e
thereof indirect emissions (Scope 2 ³⁾	609	501	459	t CO ₂ e
thereof indirect emissions (Scope 3 ³⁾	675	987	979	t CO ₂ e
Emissions per employee	1.07	1.36	1.28	t CO ₂ e
thereof offset ⁴⁾	100	100	100	%
Building energy				
Total electricity consumption	7,062,185	6,105,858	5,918,385	kWh
thereof from green electricity	100	100	100	%
Electricity consumption per employee	4,584	4,128	4,075	kWh
Total heating energy	6,705,356	5,525,128	5,060,700	kWh
Heating energy per employee	4,353	3,735	3,484	kWh
Business travel				
Total kilometres travelled	2,304,183	4,984,679	4,736,230	km
Kilometres travelled per employee	1,496	3,370	3,261	km

Environmental Performance Indicators	2020	2019	2018	Unit
Paper				
Total paper consumption ⁵⁾	19,797	30,096	34,437	kg
Paper consumption per employee ⁵⁾	12.9	20.3	23.7	kg
Recycled paper ratio ⁶⁾	59.1	71.5	72.3	%
Waste				
Total ⁷⁾	120.2	139.8	125.8	t
Recycling ratio	62.6	73.4	69.7	%
Waste per employee	78	95	87	kg
Full-time equivalents				
For the calculation per employee	1,541	1,479	1,452	employees

Sustainability Ratings and Assessments

	ISS ESG	imug	Sustainalytics	Vigeo Eiris	MSCI ESG	DZ BANK ESG
Rating	Prime (C)	positive (BB)	n. p.	n. p.	AA	Seal of approval for sustainability

Credit Ratings

	Fitch Ratings	Moody's	Standard & Poor's
Long-term rating	AAA	Aa1	AA
Short-term rating	F1+	P-1	A-1+
Outlook	stable	stable	stable

¹⁾ As of 31 December. Does not include employees who work part-time during parental leave. They are shown under "Part-time employees".

²⁾ The conversion factors correspond to the 2018 VfU update version 1.3.

³⁾ Distinction between direct and indirect emissions: direct greenhouse gas emissions come from sources owned or controlled by NRW.BANK.

Indirect greenhouse gas emissions result from the business activity of NRW.BANK – their sources are owned or controlled by third parties.

In accordance with the "Greenhouse Gas Protocol", emissions are divided into three categories depending on the degree of influence exerted by NRW.BANK:

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

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

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

⁴⁾ NRW.BANK offsets its CO₂ emissions by using certificates from global wind park projects.

⁵⁾ Office paper, excl. printed matter, envelopes and marketing materials

⁶⁾ In percent of total paper consumption

⁷⁾ Only office waste, excl. kitchen and other waste

Abbreviations:

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

n. p.: not public



Living Corporate Responsibility Strategy and Governance

Transparent, responsible and conscientious dealings with its owner, its customers, its employees 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 accepts its corporate responsibility. Its activity is geared to the principle of sustainability, which it has defined as follows: "Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs".¹⁾ Sustainability is a central guiding principle and a key criterion for NRW.BANK's decisions on business policy. It is reflected in all phases of NRW.BANK's corporate activities, starting from its strategic and business policy decisions to the shaping of its range of products and services down to the implementation of specific financings, its capital market activities and the advisory services it provides. NRW.BANK understands the economic, environmental, social and corporate governance aspects of sustainability as being inextricably linked. The ethical principles are derived from the values of NRW.BANK's mission statement and its Sustainability Guidelines. In accordance with its sustainability strategy, NRW.BANK specifically promotes such projects and programmes which are designed to improve the economic and environmental living conditions, social development as well as environmental and climate protection in North Rhine-Westphalia.

The essential cornerstones of the sustainability efforts pursued by NRW.BANK include transparent and responsible relations with its owner, customers, employees and society at large. NRW.BANK lives up to this commitment based on its Public Corporate Governance Code. In addition, NRW.BANK has defined the core elements of its corporate mission in its corporate mission statement.

Sustainability Guidelines

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

The specifications in the Sustainability Guidelines define detailed rules for NRW.BANK's treatment of controversial business practices (e.g. human rights violations, child labour, violations of labour law, environmental behaviour, economic behaviour and animal testing) and controversial business fields (e.g. arms industry, illegal gambling, controversial business activities relating to the environment, nature and animals).

¹⁾ Source: Brundtland Report, 1987

In the reporting year, the Bank prepared an updated version of its Sustainability Guidelines, which became effective on 1 January 2021. In these updated Guidelines, NRW.BANK commits itself to the goals of the Paris Agreement on Climate Change. Further efforts are needed to limit global warming to well below 2 degrees Celsius and to strive for the 1.5 degree target, especially by financing the transformation to a low-emission and climate-resilient economy and society. To strengthen the future viability and competitiveness of the state of North Rhine-Westphalia in the long term, NRW.BANK will support its funding recipients in the necessary transformation of the economy.

Sustainability Objectives

The promotional strategy is at the core of the overall strategy and describes fundamental objectives and activities with the help of which NRW.BANK supports the State of North Rhine-Westphalia in its structural and economic policy tasks. To underpin NRW.BANK's efforts to make a contribution to achieving the climate and environmental targets set by the Federal Republic of Germany and the State of North Rhine-Westphalia, the current promotional strategy primarily encompasses the further development of the promotional offerings aimed at protecting resources, increasing efficiency and implementing the energy transition. This further development always takes place on the basis of trusting cooperation with the competent state ministries.

In pursuing the objectives derived from NRW.BANK's overall strategy, the Bank is guided by the following overall principle: "The Bank's activities are geared towards sustainability. The strategic approach to sustainability issues and specific details are outlined in the Sustainability Guidelines of NRW.BANK." Considering the latter, objectives for the further development of sustainability are determined annually for a four-year period. They represent the fields of action in which the Bank wants to achieve further progress in its sustainability efforts by taking suitable measures and which should have a positive influence on the future of North Rhine-Westphalia.

Sustainability Objectives and Activities 2020–2023

Save for a few exceptions, NRW.BANK was able to achieve the objectives and activities planned for 2020. In this context, it should be noted that the coronavirus pandemic and its effects led to special circumstances and difficulties in 2020, which had to be mastered by NRW.BANK and its customers.

To support the municipalities in North Rhine-Westphalia in swiftly coping with the pandemic, the Bank introduced the "NRW.BANK.Kommunal Corona" promotional programme for a limited period of time. It is intended to cover acute liquidity needs for which the applicant does not receive any offers in the market. The temporary programme extension "NRW.BANK.Infrastruktur", which includes a mandatory 80% liability release, also helped improve the sustainability of municipal finance in the context of promotional objective B (see table on page 14).

Despite the adverse effects of the coronavirus pandemic, other valuable long-term measures were implemented which support NRW.BANK's sustainable orientation. For example, the Bank completed the review of the signing of the Principles for Responsible Investment (PRI) with a positive result. The PRI were then officially signed by the Managing Board in December 2020. NRW.BANK has thus committed itself to the six principles for responsible investment of the initiative supported by the United Nations. Implementation of the PRI requirements for processes and reporting will commence as of 2021.

A. Living Corporate Responsibility

Sustainability objective	Activity	Period	Status
Intensify the dialogue with the stakeholders that are relevant for sustainability	Regular and open exchange in the context of the refined stakeholder dialogue Employee survey on sustainability – Review the possibility to include employee proposals in the objectives development process	Ongoing	✓
Further expansion of sustainability communications	Expansion of sustainability-related topics on the Internet Close examination to sign UN-PRI; in case of positive vote, signing in 2020 Signing of the declaration of compliance with the German Sustainability Code (Deutscher Nachhaltigkeitsskodex – DNK) for the preparation of the Sustainability Report	Ongoing 2020 2020	✓ ✓ no ¹⁾
Further development of sustainability-related topics within NRW.BANK	Examine signing of the UNEP FI PRB Further development of NRW.BANK's Sustainability Guidelines Regular exchange on sustainability-related topics with other market players (at conferences, forums, bilateral meetings) Support of the EU Sustainable Finance Action Plan	2020 Ongoing Ongoing 2020	2021 ²⁾ ✓ ✓ ✓

¹⁾ In view of the changes to the requirements for non-financial reporting expected in the context of the EU Green Deal, the Bank decided not to issue a declaration of conformity with the DNK and thus not to commit itself to a specific reporting standard, also with the aim of achieving synergies.

²⁾ Measure to be implemented in 2021.

B. Shaping Sustainable Promotion for Customers

Sustainability objective	Activity	Period	Status
Strengthen and expand sustainable promotional products	Consideration of sustainability aspects in consulting as a permanent task both in commercial promotion and in consulting for public-sector clients Support for the implementation of the sustainability guidelines in dialogue with the house banks, the savings banks and banking associations as well as the public-sector clients in direct business Further development of promotional offering for climate and environmental protection Improve the future viability of social infrastructure and municipal finance Examine participation in Social Impact Bonds Create more affordable housing Improve the promotional offering for social enterprises and micro-founders Support the nationwide Centre (initiator: MWIDE) for Business (incl. CSR) and (Digital) Responsibility as a knowledge partner	Ongoing Ongoing 2020 2020 2020 2020 2020 2020	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓

C. Further Development of Sustainable Capital Market Business

Sustainability objective	Activity	Period	Status
Strengthen and expand the sustainable capital market business	Ensure sustainable portfolio management using the MSCI sustainability rating Guarantee a Green Bond portfolio of € 300 million and use market opportunities to increase it to € 400 million if possible	Ongoing 2020	✓ ✓
Strengthen the expansion of sustainable funding	Annual issue of at least one Green Bond while maintaining the dark green philosophy Expansion of sustainable funding through the possibility of issuing social bonds (if possible, issue of one social bond in 2020 depending on occupancy masses)	2020 et seq. 2020	✓ ✓
	Introduction of a "green" funding curve taking into account future sustainability taxonomies and the possibility of using further sustainable funding instruments in the money and capital markets (e.g. Green/Social Commercial Papers)	2020	✓

D. Assuming Social Responsibility for Employees

Sustainability objective	Activity	Period	Status
Further development of a value-oriented corporate culture	Further expansion of employer branding for the target group of trainees/apprentices First aid refresher courses Optimise NRW.BANK's internal further training offerings "Dealing with mental illness", "healthy leadership" and "emotional skills" as fixed elements of the mandatory executive development Intensify contacts with people on leave in preparation of their return	Ongoing Ongoing Ongoing Ongoing 2020	✓ no ¹⁾ ✓ ✓ ✓
Expand the possibility to achieve a better balance of work and family life	Continue the flexible working time schemes Examine further participation in the "audit berufundfamilie" (job and family audit)	Ongoing 2021	✓ 2021
Further development of health management offerings	Continuation and target-oriented further development of internal activities relating to diet, exercise, relaxation and prevention Regular health check-ups Continue to offer social counselling for employees Continue to offer comprehensive health promotion services and financial support for employees when booking prevention programmes via the "machtfit" health platform Optimise the ongoing health promotion offerings by considering employees' interests and the latest medical findings	Ongoing Ongoing Ongoing 2020	✓ ✓ ✓ ✓

¹⁾ Due to the restrictions caused by the coronavirus pandemic, the measure had to be cancelled for 2020.

E. Protecting the Climate and the Environment

Sustainability objective	Activity	Period	Status
Optimise the company's consumption/save resources	Increase/maintain the share of recycled paper	Ongoing	no ¹⁾
	Increased digitalisation of processes (authorisations, applications)	Ongoing	✓
	Raise awareness for the use of resources	Ongoing	✓
	Maintain/reduce paper consumption	Ongoing	✓
	Continue the "HandysfürdieUmwelt" (mobile phones for the environment) initiative	2020	✓
	Examine the change to recycled toilet paper	2020	✓
Further development of sustainable procurement	Examine EMAS certification	2020	2021 ²⁾
	Increase the use of sustainable consumables	Ongoing	✓
Strengthen environmentally friendly mobility	Examine the possibility to exclusively supply sustainable and fair coffee for employees	2020	✓
	Certification as "bicycle-friendly company"	Ongoing	✓
	Examine the creation of additional incentives for the use of environmentally friendly means of transport for the daily commuting of employees	2020	✓

F. Showing Commitment to Society

Sustainability objective	Activity	Period	Status
Constant alignment of corporate responsibility with current corporate citizenship topics	Annual blood donation campaign in cooperation with the Red Cross	Ongoing	no ³⁾
	Permanent possibility for HLA typing in cooperation with the Bone Marrow Donation Centre in Düsseldorf	Ongoing	✓
	Promotion of young up-and-coming artists	Ongoing	✓

¹⁾ Due to the coronavirus pandemic and the associated high share of employees working mobile outside the bank buildings, the level of electronically used documents and processes also increased. With total consumption strongly reduced, the recycled paper share of the controllable paper types has therefore declined disproportionately.

²⁾ Measure to be implemented in 2021.

³⁾ Due to the restrictions caused by the coronavirus pandemic, the measure had to be cancelled for 2020.

The [objectives and activities of NRW.BANK for the years 2021-2024](#) are published on NRW.BANK's Sustainability Portal. The systematisation of the objectives and activities is based on the sustainability principles set out in NRW.BANK's Sustainability Guidelines.

Sustainability as a Part of Strategic Management

Considering sustainability to be a central leitmotif, NRW.BANK does not regard the implementation and further development of this issue as a separate process but as an integral component of strategic management and thus as a general principle of overarching importance in the Bank's strategy. On the basis of the Bank's generally decentralised organisation, responsibility for specific operational aspects relating to sustainability lies with the relevant departments. As part of a central coordination function, the Strategy Development and Sustainability Department ensures that the necessary framework conditions and regulations are in place and transfers current market developments into the Bank. Reflecting the universal responsibility approach, important sustainability aspects are discussed by the management circle, which is composed of the Managing Board of NRW.BANK and the heads of all business units. It monitors, in particular, the implementation of the objectives as well as the discussion and definition of the further development of the Sustainability Guidelines, also taking input from major stakeholders into account. The participation of all business units in this established control process ensures that the different points of view are considered.

The fact that NRW.BANK has developed a strategic sustainability roadmap also reflects the great importance of topics such as climate change, transformation and sustainability. This roadmap defines the Bank's focus for the coming years, creates transparency and shows NRW.BANK's long-term approach to sustainability.

Stakeholder Dialogue

In the context of the preparation of the Sustainability Guidelines, NRW.BANK decided to expand the regular exchange with its stakeholders. The consideration of external input is considered a key aspect in the further development of the sustainability issue. Current sustainability developments were intensively discussed with relevant stakeholders in 2020. At the Bank's Strategy Conference, the main input from this dialogue was discussed and assessed from a feasibility and efficiency perspective. The relevant insights gained from the stakeholder dialogue were either implemented at short notice or were integrated into the Sustainability Guidelines or included in the sustainability objectives and activities of NRW.BANK.

Sustainability Communications

The Annual Financial Report and the Non-financial Report are important communication tools used by NRW.BANK to supply its stakeholders with transparent information about the measures taken to ensure that the Bank fulfils its corporate responsibility. The present Sustainability Report and the restructured [Sustainability Portal](#) on the Bank's website provide additional information. Sustainability communications transparently document the progress and effects of NRW.BANK's sustainability efforts. NRW.BANK uses all available communication options to implement the guiding principles of its Sustainability Guidelines.

Statutory Framework and Internal Regulations

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

Legal requirements and internal bank regulations are observed at both head offices of NRW.BANK.

Labour Standards and Human Rights

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

Equal Opportunities and Principle of Non-discrimination

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

Compliance and Money Laundering Prevention

The business model of NRW.BANK hinges on its owner, its employees, customers, business partners and the public trusting in its expertise, performance and integrity. The Bank is committed to compliance with regulatory and statutory provisions as well as with internal requirements, which forms the basis for such trust.

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

The Compliance Department, which forms part of the Risk Control unit, is the central body that is responsible for addressing these tasks. The Bank has appointed a Compliance Officer (MaRisk, WpHG) as well as Money Laundering and Operational Risk Officers as well as deputies for exercising the various Compliance functions. They report directly to the Managing Board and are bound by instructions only from the latter in performing their tasks.

The tasks of these Officers primarily include: development, communication and review of the Bank-wide Compliance and Money Laundering Prevention framework, managing the compliance risk whilst taking other risk types into account, such as reputational and operational risks. In addition, they carry out Bank-specific risk analyses to assess the appropriateness and effectiveness of the principles, resources and processes and refine and update them. They assist the Managing Board in all compliance-related matters and regularly report to the latter.

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

Data Protection

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

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

Corruption Prevention

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

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

Sustainable Procurement

NRW.BANK is committed to the economic, economical, efficient and sustainable procurement of goods as well as construction and other services. All purchases are made in accordance with the applicable regulations of public procurement law.

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

In this context, sustainability is always a central guiding principle and a key criterion for NRW.BANK's decisions on business policy. As part of its business activities and when awarding contracts, the Bank considers 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 10 December 1948) as well as
- the resulting definition of human rights according to the Basic Law of the Federal Republic of Germany;
- the prohibition of child and forced labour under the UN Convention on the Rights of the Child (CRC) of 1989/1990;
- the protection against systematic/discriminatory labour law violations according to the ILO Core Labour Standards;
- the principles of gender equality;
- the provisions of the Federal Nature Conservation Act, the Environmental Damage Act and the Animal Welfare Act as well as
- European and national laws on corruption, bribery, fraud, accounting fraud, anti-trust violations, money laundering, insider trading and tax compliance.

In the context of its procurement policy, the Bank integrates environmental aspects also into the procurement of office materials as well as the ordering and logistic processes. An example is the carbon neutral sending of mail through Brief und mehr GmbH & Co. KG as well as the GoGreen programme of Deutsche Post DHL Group. In the reporting year, NRW.BANK again demonstrated its commitment to assuming responsibility towards society at its two locations in Düsseldorf and Münster, where the Bank promoted the employment of disabled people by commissioning workshops for disabled to provide such services as laundry and cleaning.

Public Corporate Governance Code

Being a promotional bank, NRW.BANK is very much committed to transparent and responsible action towards the public, its guarantor and owner as well as investors, customers and employees. This commitment is based on the Public Corporate Governance Code, as last amended on 1 July 2019, with which the members of the Managing Board, the Supervisory Board and the Board of Guarantors fully identify. Building on this basis, the Bank publishes an annual [Report on Public Corporate Governance](#) to inform about material corporate governance developments. This report is contained in the Financial Report and is additionally published as a separate document on NRW.BANK's website.

For many years, the Bank has implemented transparency and responsibility in its dealings with its target groups. In early 2006, NRW.BANK was one of the first public-sector companies in Germany to adopt a Public Corporate Governance Code and to officially commit itself to this standard of corporate governance.

Freedom of Association and Right to Collective Bargaining

The Bank's staff council represents the interests and needs of the employees of NRW.BANK based on the North Rhine-Westphalian State Staff Representation Act. In 2020, the staff council again monitored compliance with applicable laws, regulations, collective bargaining agreements as well as labour agreements and informed the employees of both head offices at the annual staff assembly, which was held digitally this time.

Being an institution under public law, NRW.BANK is subject to the collective bargaining agreement for the private sector and the public banking industry. It implements the collectively agreed results for its employees under collective agreements. This is also done on a voluntary basis for the majority of employees not covered by collective agreements.

Initiatives and Memberships

In accordance with its Sustainability Guidelines, NRW.BANK contributes to the tasks identified also outside its own business activity. The Bank is a signatory of the following sustainability-relevant initiatives and/or the voluntary commitments for sustainable corporate activity developed by the latter:

- [Germany's "Diversity Charter"](#)
- [ICMA Green Bond Principles](#)
- [ICMA Social Bond Principles](#)
- [ICMA Sustainability Bond Guidelines](#)
- [UNEP FI](#)
- [UN Global Compact](#)
- [Principles for Responsible Investment](#)
- [VfU e.V.](#)

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

Sustainable Products

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

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

Responsible External Presentation

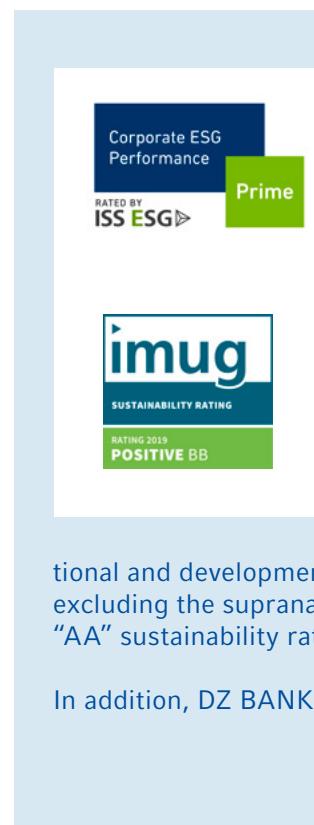
The Bank is firmly committed to treating customer information confidentially. The Bank's Data Protection Officer is involved in all dialogue-based marketing measures based on customer data to ensure responsible marketing.

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

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

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

- In the year under review, the Private Equity Conference NRW was held under the motto "Private Equity for Sustainable Investments" and offered participants a mixture of lectures, discussions and talks with well-known experts from politics, business and academia. Due to the restrictions imposed in the context of the coronavirus pandemic, the event was broadcast as an interactive live show for the first time.
- In cooperation with Innovation Hub Ruhr, the Bank supported the Climathon 2020.
- As a partner of Innovation City Ruhr, NRW.BANK laid the foundation for the "QuartiersCheck.NRW" advisory service for sustainable neighbourhood development in 2020.
- For the first time, the Bank, together with the North Rhine-Westphalian Ministry of the Environment, organised the "Umweltwirtschaftspris.NRW", whose first edition was a great success and attracted 80 applications.



Sustainability Ratings

Rating agencies specialising in sustainability have rated NRW.BANK's performance in fields such as environment, society and governance for several years. In 2020, the Bank again scored good ratings.

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

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

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

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

Designing Sustainable
Promotion for Clients

Partnership and Cooperation

Focus of the Promotional Business

Performance Indicators in the
Promotional Business

Economic Development

Housing Promotion

Infrastructure and Municipal Promotion

Trusting Customer Relationships



Designing Sustainable Promotion for Clients

Promotion Report

NRW.BANK's products and services are designed to secure the standard of living and to improve climate and environmental protection in North Rhine-Westphalia. In addition, the Bank supports a balanced social development in the North Rhine-Westphalian regions. The aim is to strengthen the stability of society. Accordingly, all of NRW.BANK's promotional activities make a contribution to the development of enterprises and municipalities in North Rhine-Westphalia.

Supporting the Transformation to a Sustainable Economy

Sustainable behaviour is a key objective of NRW.BANK's business policy and means the equal consideration of social, economic and environmental objectives and ethical matters. Most importantly, the sustainability objective shapes and guides NRW.BANK's promotional offerings. For its promotional business the Bank uses the full range of lending tools and also steps in when banking and lending expertise is required for the promotion process. Particular use is made of promotional loans with low interest rates and/or long-term fixed-interest options, risk sharing with house banks as well as the provision of equity and mezzanine capital. In 2020, NRW.BANK recorded a volume of new commitments of € 17.0 billion. For detailed information on the promotional business, please refer to the chapter "[The Promotional Business of NRW.BANK](#)" in the financial report.

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

Partnership and Cooperation

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

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

Focus of the Promotional Business

NRW.BANK's promotional business is theme-oriented. It is divided into the three promotional fields "Economy", "Housing" and "Infrastructure/Municipalities", which in turn contain different promotional themes. Each promotional offering is assigned to a specific promotional theme.

€ 17,0
billion

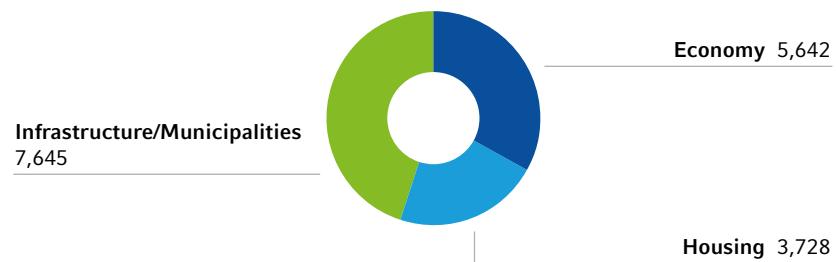
in new commitments were achieved by NRW.BANK in 2020.

The promotional strategy complements NRW.BANK's focus on specific promotional fields and provides additional central guidelines for the Bank's promotional business. These guidelines contain selected aspects covering all promotional fields to secure the effectiveness and efficiency of promotion. In 2020, the promotional strategy comprised three guidelines: "European Promotion", "Digital Promotion" and "Networked Promotion".

Specific objectives and measures have been defined for each of the guidelines. The “European Promotion” guideline focuses on obtaining (additional) EU funds for promotion projects in North Rhine-Westphalia. The “Digital Promotion” guideline explicitly addresses the growing demands made on promotional banks to further digitalise their promotional business. The “Networked Promotion” guideline describes the Bank’s positioning as an active partner in promotional networks to increase the visibility of the funding portfolio and to generate ideas for promotion and synergies.

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

Volume of New Commitments by Promotional Fields in € millions



The promotional field “Infrastructure/Municipalities” covers financing and advisory services supporting the solid capitalisation of municipalities and the implementation of infrastructure projects. NRW.BANK promotes both public and private projects for the improvement of infrastructures. Among other purposes, its products effectively support infrastructure measures designed to implement Germany’s energy transition.

The aspects of energy transition and environmental protection relate to all three promotional fields of NRW.BANK, albeit with different facets and promotional measures. The Bank has pooled the corresponding products and services in the individual promotional fields in a separate theme named “Energy Transition/Environmental Protection”. Promotional funds in the total amount of € 4.3 billion were made available in these promotional themes.

In the further development of the contents of its promotional offerings, NRW.BANK always takes current challenges for North Rhine-Westphalia into account. In 2020, these activities were primarily influenced by the economic and social consequences of the coronavirus pandemic. Besides a clear orientation towards market requirements, the complementarity with the offerings of the European Union, the federal government and the federal state served as the guiding principle for the Bank. In this context, the on-lending of federal funds was ensured, existing programmes were expanded and new promotional offerings were created for special target groups and financing needs that had previously not been addressed. In addition, the promotional portfolio has been expanded and specific programmes were launched for enterprises, infrastructure providers and municipalities affected by the coronavirus pandemic, which the State of North Rhine-Westphalia supports with back-up guarantees vis-à-vis NRW.BANK. The focus was also placed on the expansion of risk assumptions by NRW.BANK – e.g. in the form of risk sharing with house banks as well as offers to strengthen equity capital – with the aim of satisfying the financing requirements of the economy and the public sector in particular.

Performance Indicators in the Promotional Business

NRW.BANK's objectives are primarily geared to providing the State of North Rhine-Westphalia with long-term support in performing its structural and economic tasks. Due to NRW.BANK's public mission as the promotional bank of North Rhine-Westphalia, development and promotion is the primary business objective and the volume of new commitments represents a key performance indicator. The volume of new commitments comprises the commitments for promotional funds made in the 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 promotional conditions, whose compliance is secured by NRW.BANK especially in cooperation with the house banks. Compared to more broadly based programmes, the Bank's special programmes are characterised by comprehensive promotional conditions in that they offer higher promotional amounts.

Economic Development

NRW.BANK.Mittelstandskredit and NRW.BANK.Universalkredit are the two NRW.BANK programmes with the highest volumes. The latter is aimed at both established SMEs and company founders. Against the background of the effects of the coronavirus pandemic on the liquidity situation of commercial enterprises, the Bank refined this programme to meet actual requirements and increased the maximum amount of liability releases for house banks to 80% to provide a protective shield for the corporate sector. Under these programmes, NRW.BANK granted interest-subsidised loans in the total amount of € 1.2 billion to some 2,900 enterprises for investments and working capital in 2020.

Like NRW.BANK.Universalkredit, NRW.BANK.Gründungskredit is targeted at business start-ups and young companies. Around 600 start-up and growth projects received funding under this programme in 2020, with loans totalling approx. € 126.9 million. Micro start-ups receive customised promotion through NRW.Mikrodarlehen. As this programme focuses on the viability of the concepts and the personality of the founder, projects may be financed also without proof of equity capital or the usual collateral required for bank loans. This makes it possible for formerly unemployed people to set up their own businesses. To complement the "NRW.Mikrodarlehen" programme, NRW.BANK implemented an innovative combination in late 2020. It combines microfinance and external crowdfunding via a digital platform. NRW.BANK's new "NRW.MicroCrowd" programme supports projects of start-ups and young companies that are at least 20% crowdfunded. In addition to sole proprietorships, civil law enterprises (GbR) and limited liability entrepreneurial companies (UG), the programme is now 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.

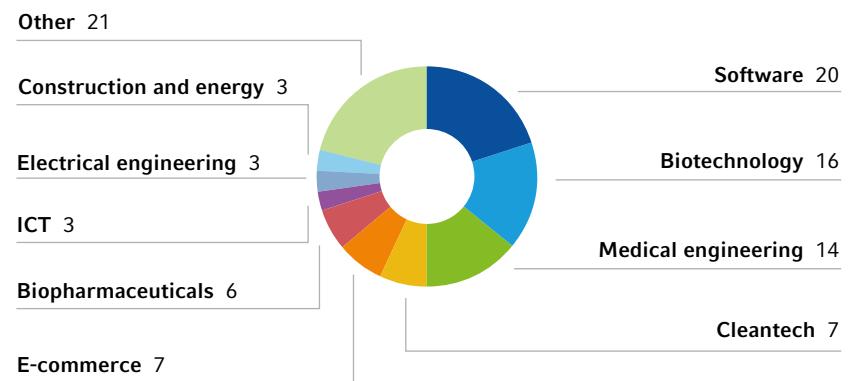
The “NRW.BANK.Digitalisierung und Innovation” programme is available to support small and medium-sized companies’ digitalisation investments and/or investments in adding new, technologically advanced products to their product ranges or in the adoption of high-tech production processes. The programme comprises two separate promotional modules to finance digitalisation projects and to support process, procedural and product innovations in small and medium-sized enterprises. This NRW.BANK promotional solution effectively complements the digitalisation drive as well as the “10 impulses to strengthen the economy and growth” initiated by the State of North Rhine-Westphalia. In 2020 and early 2021, the Bank expanded its promotional offerings in various places. For instance, the promotional programme is now also available to founders and young enterprises regardless of the time of incorporation as well as to larger SMEs. The aim is to further accelerate the digital transformation of the North Rhine-Westphalian economy. The product is complemented by the “NRW.BANK.Innovative Unternehmen” programme. It provides special promotion for the proprietary development and production of innovative products, processes and services and offers favourable terms and conditions as well as an obligatory 70% liability release for the on-lending house bank. The programme thus takes account of the fact that it is often difficult for innovative companies to raise loans because of a lack of unencumbered collateral.

NRW.BANK supports seed financings of business start-ups and young companies in high-technology sectors by offering equity-strengthening solutions through its Seed and Venture Funds, which have a combined volume of € 310 million. These funds make an important contribution to reducing the high market inefficiencies in the German venture capital market, thus providing important stimulation for innovation and the future competitiveness of North Rhine-Westphalia. In the venture capital segment, the Bank acts as a co-investor to finance newly established technology-oriented companies in sectors such as information and communication technology, life sciences, medical engineering, microsystems technology and cleantech. By contrast, the seed funds operate in the form of a fund-of-funds, which has invested in 13 regional seed funds since its inception. The latter, in turn, have made investments in 106 high-tech start-ups.

Start-ups and newly established companies also benefit from effective support in the form of equity investments which are granted in addition to investments by business angels. This offering complements the established “win NRW.BANK Business Angels Initiative”, in the context of which the Bank helps capital-seeking innovative companies gain access to business angels. In response to the coronavirus pandemic, NRW.BANK has additionally been offering convertible loans to innovative companies in the seed or start-up phase since mid-2020.

“NRW.BANK.Effizienzkredit” is a central offering to support the energy system transition and to promote environmental protection in the field of economic development. The loan offers strongly interest-subsidised terms for investments with clear ecological merits. To qualify for promotion, borrowers must prove that their projects will permanently increase energy efficiency by at least 20% or resource efficiency by at least 6%. Replacement investments with lower efficiency increases are eligible for promotion only on the basis of certified environmental protection processes (e.g. PIUS Check or environmental management system).

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



Enterprises may also receive low-interest financing for research and development projects falling under the “Masterplan Elektromobilität Nordrhein-Westfalen” (North Rhine-Westphalia’s Electromobility Masterplan). Both the purchase of electric, fuel cell and hydrogen vehicles and the conversion of vehicles to electric drives or investments in charging infrastructure are eligible for promotion. To clearly take North Rhine-Westphalia forward in the field of electromobility and to encourage the purchase of clean vehicles, potential for optimisation is continuously being exploited in the corresponding promotional programme.

Housing Promotion

As part of its subsidised housing construction activities, NRW.BANK made available new commitments of € 1.0 billion (previous year: € 937.9 million) for the creation of affordable, high-quality housing for low-income earners in 2020. This promotion is designed, among other things, to increase the supply of housing also in densely populated areas characterised by rising rents. A total of 8,603 residential units were funded in 2020 within the scope of the Bank's subsidised housing construction activities.

At € 785.4 million, some 5,500 rent-controlled and occupancy-controlled rental housing units accounted for the bulk of the promotional funds spent on subsidised housing construction; this also includes the creation of dormitories for students and places in care homes for people with disabilities. Another focus was placed on the construction and acquisition of owner-occupied housing. Modernisation measures in the existing housing stock primarily comprise investments aimed at preserving and creating an adequate housing quality. These include energy-efficient building standards, the removal of barriers, protection against burglary as well as digital housing and building technology including an attractively designed environment. Within the framework of the promotion of neighbourhoods, the combination of different promotion modules facilitates the development of residential areas meeting specific local needs. Neighbourhood-related measures (e.g. playgrounds, recreation rooms, local mobility services) are also eligible for funding.

As a complement to its subsidised housing construction activities, NRW.BANK grants low-interest loans under the NRW.BANK.Gebäudesanierung programme to support projects for raising energy efficiency as well as barrier-free refurbishment measures for privately owned buildings. In addition, NRW.BANK grants loans for the construction and purchase of privately used residential properties with a very long fixed-interest term. A social component in this new offer is ensured by basing the income thresholds for eligible applicants on the federal government's child-related construction grants.

Infrastructure and Municipal Promotion

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

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

As part of the “NRW.BANK.Gute Schule 2020” programme launched in cooperation with the State of North Rhine-Westphalia, NRW.BANK made available € 500.0 million per year during the period from 2017 to 2020 for long-term loans to finance municipal investments in the refurbishment, modernisation and expansion of the municipal school infrastructure. The offering provided fixed quotas for each individual municipality. To prevent investments from failing because of the financial situation of a municipality, the State of North Rhine-Westphalia supported the municipalities by taking over their interest and principal payments. The total contingent of

€ 2.0 billion was called in full prior to the expiry of the programme. In addition, municipal school operators and school associations continue to benefit from the "NRW.BANK.Moderne Schule" programme, which provides long-term loans for the construction and modernisation of school buildings.

Infrastructure improvements require not only public-sector investments but also private investments. "NRW.BANK.Infrastruktur" is a good example of a programme to mobilise private capital in a broad range of areas. It may be used to finance projects in the fields of environmental protection, urban development measures, social affairs or education and qualification. In view of the role of non-profit organisations as important players for the social infrastructure in North Rhine-Westphalia, NRW.BANK launched a promotional product – in combination with federal funds from KfW – to support this target group in September 2020. The "NRW.BANK.Gemeinnützige Organisationen" programme is aimed at foundations, clubs and associations as well as other non-profit organisations, irrespective of their legal form, size or sponsor. For instance, support is provided not only to inpatient care and nursing facilities for the elderly but also for healthcare organisations or women's shelters, multigenerational centres and kindergartens. A focus is also placed on inclusive hotels and restaurants as well as inclusion workshops. In addition, NRW.BANK has special programmes to support, for instance, the preservation of monuments, flood protection measures as well as investments in sports facilities. 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.

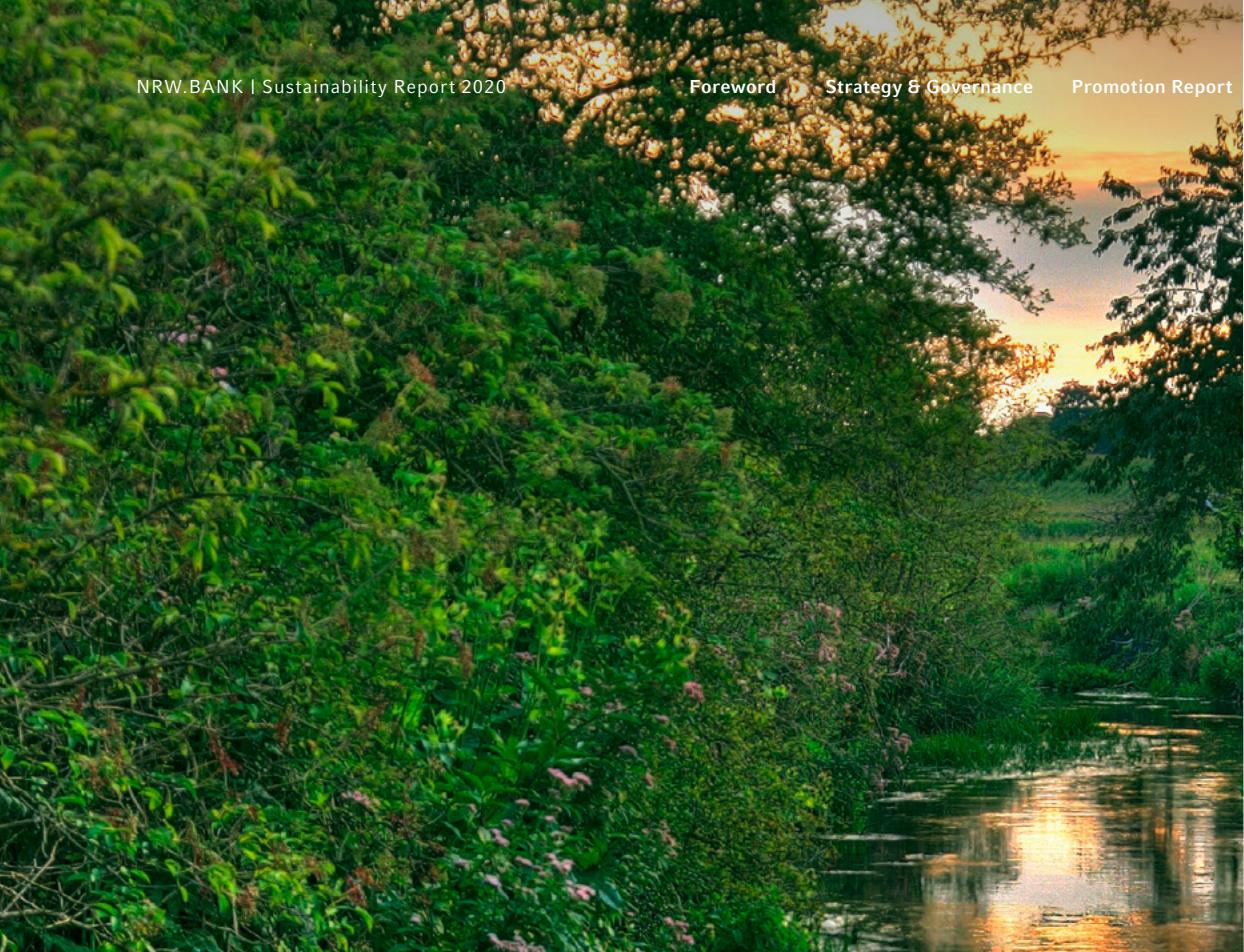
Investments in plants for the generation, storage and distribution of energy are promoted under the "NRW.BANK.Energieinfrastruktur" programme. In 2020, the Bank granted promotional loans with a total volume of € 494.0 million under this programme, which were used, among other things, to finance wind power turbines, community wind farms, gas and steam power plants and solar systems.

The restoration of the natural habitats along the Emscher and Lippe rivers is one of the largest sustainability projects in North Rhine-Westphalia. For several years, NRW.BANK has actively supported the renaturation of the Emscher and Lippe rivers, for which the Bank makes available long-term loans. In 2020, the Bank significantly optimised the existing promotional offerings in favour of the Emschergenossenschaft and the Lippeverband. Besides even longer fixed interest periods, the new promotional programme "NRW.BANK.Grüne Emscher-Lippe" also offers forward loans to give the associations increased planning certainty. It is also NRW.BANK's first programme that is compliant with EU Taxonomy: The Bank will use "NRW.BANK.Grüne Emscher-Lippe" to fund only those projects that meet the already known criteria of the new European classification system for sustainable economic activities. Under this new promotional credit line, the Bank will make a total of € 1.6 billion available to Emschergenossenschaft and Lippeverband.

In addition to these infrastructure development and promotion programmes, NRW.BANK again was a reliable partner to the North Rhine-Westphalian municipalities in the reporting year. Its municipal loans and liquidity loans to North Rhine Westphalian municipalities made an important contribution to ensuring the municipalities' ability to act. The Bank moreover supports the municipal sector with a wide range of advisory services.

Trusting Customer Relationships

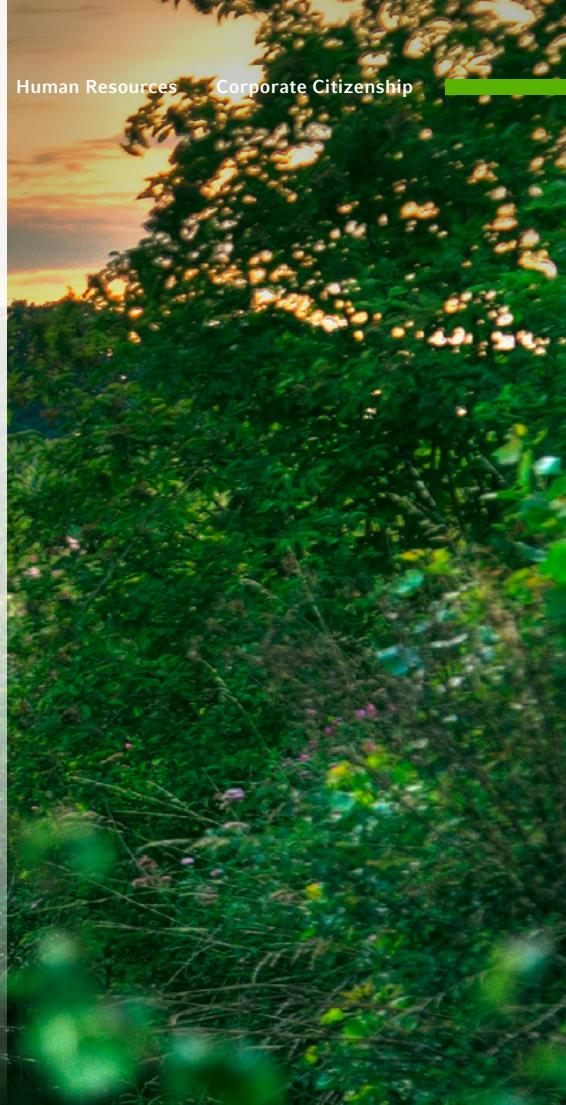
Potential recipients of promotional loans increasingly inform themselves independently about available promotional options and hence expect promotional banks to provide targeted and objective information about promotional funds. NRW.BANK has therefore optimised its internet presence on an ongoing basis over the past years.



Further Development of Sustainable Capital Market Business

NRW.BANK Green and Social Bonds

Green and Social Bonds issued by NRW.BANK allow investors to participate in projects with special environmental and social benefits, which, in turn, generate sustainable yields for the Bank's investors.



NRW.BANK.Green Bond 2020

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

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

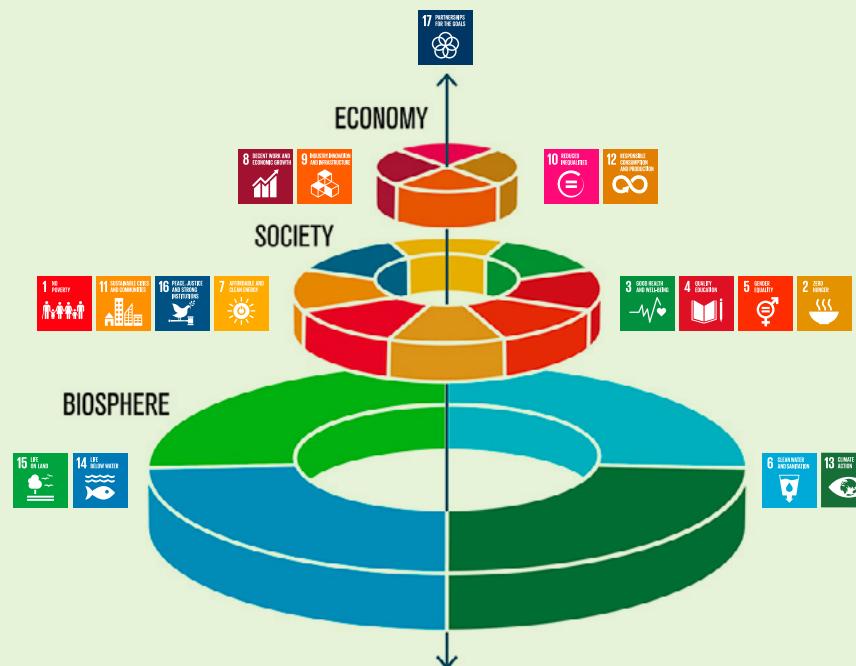
- Green Bond Principles define the framework
- NRW.BANK.Green Bonds are Use of Proceeds Bonds
- Projects are selected by the Green Bond Team
- Selection of the assets to be refinanced:
 - All selected projects have to support North Rhine-Westphalia's climate and sustainability strategy as well as the UN Sustainable Development Goals (SDGs)
 - Eligible fields include "Climate Mitigation" and "Climate Adaptation" or SDGs 3, 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 earmarking 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 2020 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.

NRW.BANK was able to maintain its lending in support of environmentally friendly projects at a high level also in the winter half-year 2019/2020.

To be eligible for selection under the Green Bond programme, projects must have a commitment date within the past twelve months from the issue of the Second Party Opinion (SPO) and match the defined themes. The focus is on contributing to the State of North Rhine-Westphalia's climate protection policy, supporting adaptation to the unavoidable implications of climate change and the United Nations' Sustainable Development Goals (SDGs 3, 6, 7, 11, 13, 14 and 15).

United Nations Sustainable Development Goals

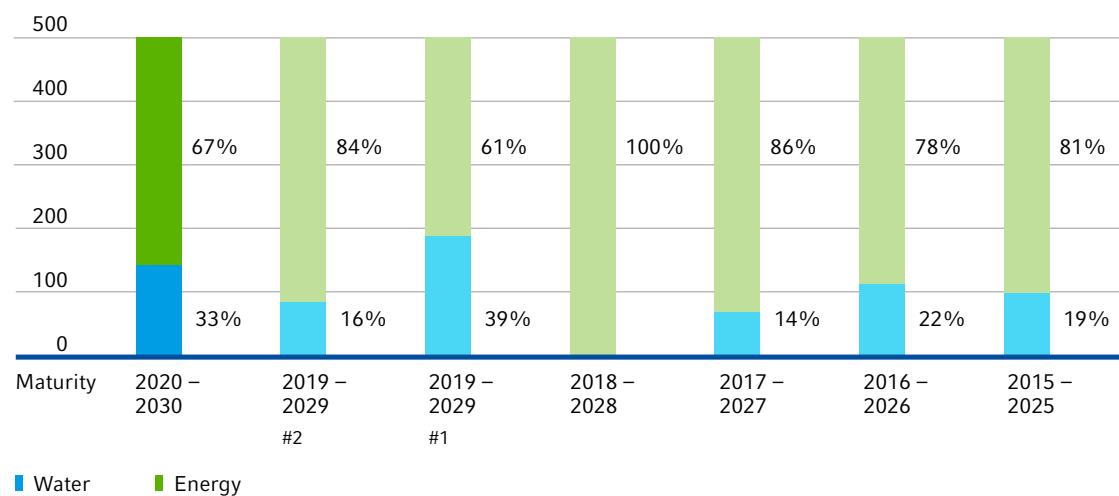


Source: Azote Images for Stockholm Resilience Centre

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.

Between them, the NRW.BANK.Green Bonds issued to date have a total volume of € 4.3 billion, of which an amount of € 3.5 billion was outstanding as of 31 December 2020.

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



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

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

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

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

NRW.BANK wants to make a proactive contribution to reaching the 1.5-degree target. Accordingly, the Bank has already updated its Green Bond Framework designed in 2019 with the aim of aligning it as closely as possible with the draft EU GBS. Although the EU GBS and the Taxonomy have not been finalised yet, NRW.BANK considers the new frameworks to be applicable already as they contribute to further standardisation and credibility of the green bond market.

ISS ESG has already confirmed that the Bank's current Green Bond Framework complies with the drafted EU GBS. This means that the Green Bonds issued under the new framework predominantly consider projects that comply with the technical standards of the EU Taxonomy. In this context, NRW.BANK benefits from the fact that, since 2013 already, the relevant topics for the selection of suitable loans have been in line with the first two environmental objectives of the EU Taxonomy: "Climate Change Mitigation" and "Climate Change 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 Euro. A possible price differentiation between the green NRW.BANK curve and the regular NRW.BANK benchmark curve can thus be presented in the best possible way. The current maturities are four to ten years.

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

The projects financed are automatically eligible for refinancing under the Green Bond. The entire Emscher loan programme, for instance, has been aligned with the EU Taxonomy since summer 2020 and thus benefits from the preferential conditions of the green refinancing curve. The Electromobility and Building Modernisation programmes also meet the technical standards of the EU Taxonomy. By contrast, projects from the energy industry or the local public transport sector are subjected to a case-by-case assessment.

The NRW.BANK Green Curve has already been anchored in the Bank's guidelines.

Focus on the Environmental Impact

NRW.BANK has assessed the environmental impact of its Green Bonds since 2015 with the aim to publish the CO₂ emissions that have been saved and/or avoided by investing in its Green Bonds on an annual basis. Since the issue of the 2015 NRW.BANK.Green Bond, the [Wuppertal Institute for Climate, Environment and Energy](#) has been NRW.BANK's competent partner for analysing the positive environmental impact. NRW.BANK has published a detailed impact analysis in cooperation with the latter since 2016.

The Wuppertal Institute prepares the analyses in accordance with the recommendations of the [Harmonized Framework for Impact Reporting](#), which were developed by multilateral development banks under the umbrella of the ICMA/GBPs. This framework permits the preparation of a transparent and comparable impact analysis of green bonds as recommended by the GBPs.

NRW.BANK.Green Bond 2020

Suitable promotional projects relating to "Mitigation" were clearly assigned to the NRW.BANK.Green Bond 2020 in an internal selection process. At roughly € 206 million, the focus was placed on the modernisation of public buildings. About € 82 million was invested in renewable energy, thereof a good € 77 million in wind energy and more than € 4 million in solar energy. About € 38 million went into "Clean Transport", more specifically local public transport, electric cars and the necessary charging infrastructure. Loans for energy-efficient construction accounted for approximately € 11 million.

Loans in the total amount of € 163 million were assigned to "Climate Change Adaptation". The funds will again be used for the renaturation of the River Emscher.

The projects chosen were earmarked by NRW.BANK as Green Bond 2020.

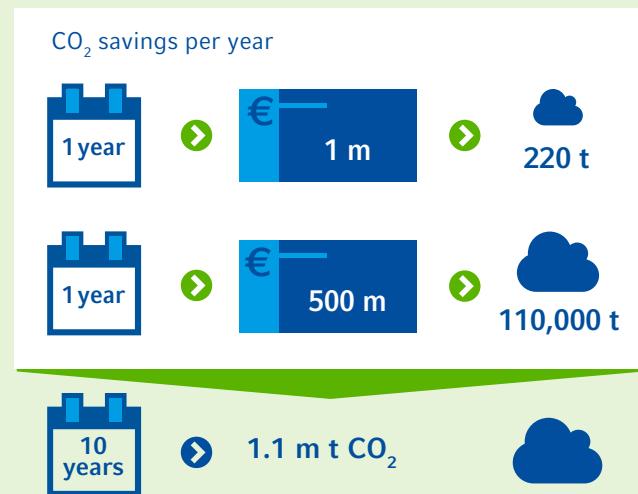
ISS ESG confirmed the sustainability and environmental benefit of these projects through a positive Second Party Opinion.

On the basis of this asset pool, NRW.BANK successfully issued its ninth Green Bond with a volume of € 500 million and a 10-year term in January 2020.

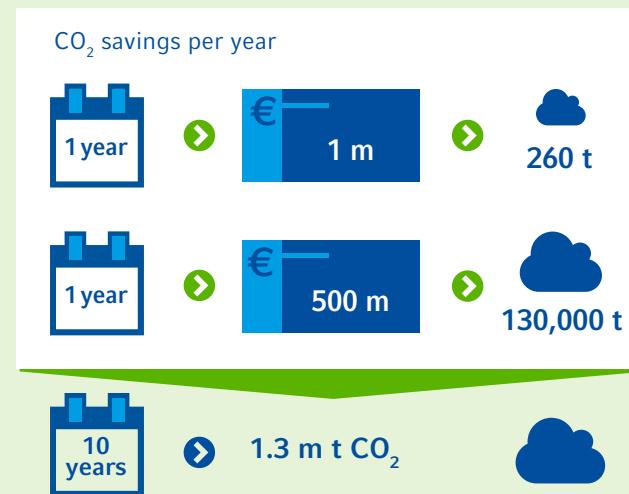
Area	Field	Topic	Number of Projects Funded	Promotion Volume in € millions
Energy	Mitigation	Renewable energy	33	81.6
		– thereof onshore wind energy	22	77.3
		– thereof rooftop PV systems	9	3.3
		– thereof ground-mounted PV systems	2	1.0
Energy	Mitigation	Clean transport	various	38.0
		– thereof local public transport	various	36.4
		– miscellaneous	various	1.6
Energy	Mitigation	Energy efficiency	various	217.3
		– modernisation of public facilities	4	206,3
		– building modernisation	various	11.0
Water	Adaptation	River renaturation	1	163.1

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

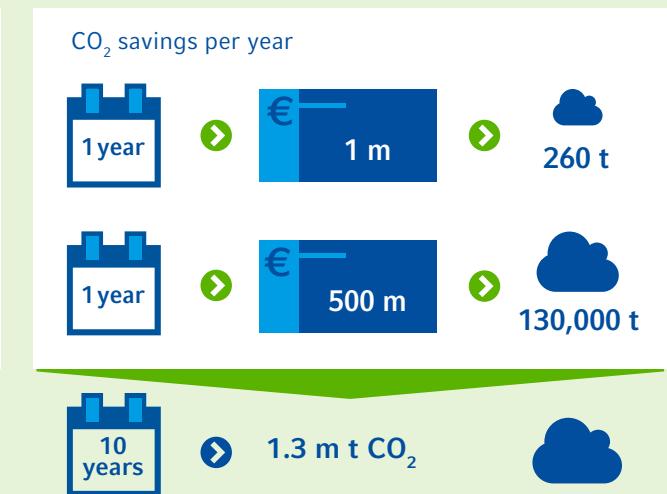
NRW.BANK.Green Bond 2020



NRW.BANK.Green Bond #1-2019



NRW.BANK.Green Bond #2-2019



Field "Climate Adaptation" – Rebuilding the River Emscher

- Single biggest water management project in the EU to implement the European Water Framework Directive
- Project period: almost three decades to the "Blue Emscher"
- Direct participation of citizens
- Conversion of the river and its affluents into semi-natural waters
 - 148 km of 328 km renaturalised (45%)
 - Significant increase in biodiversity:
all species that colonise the riverbed (macrozoobenthos species)
→ 278 different species counted

Creation of a modern sewage system:

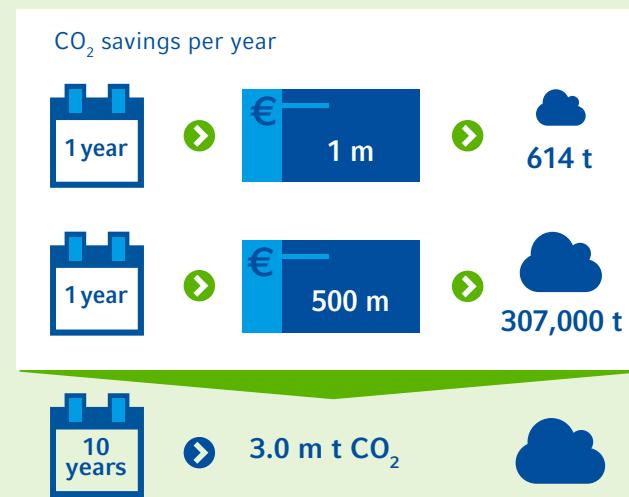
- Emscher Central Sewer (AKE) with a total of 132 pumping stations, five sewage treatment plants as well as a central sewage sludge and 87 rainwater treatment plants completed (100%)
- Sewers: 402.6 km of 435.8 km completed (92%)

Resilience improved:

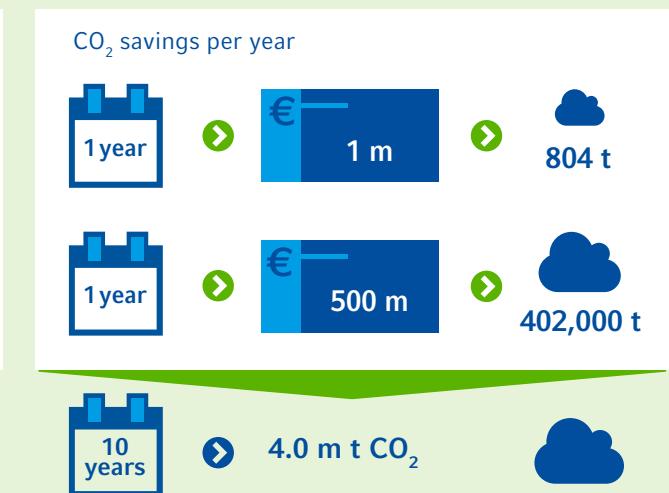
- Flood and rainwater retention basins: 3.2 million m³ of 3.3 million m³ completed (96%)
- Total newly created wetlands: 1.5 million m², of which 183,526 m² in 2019/2020

¹⁾ The results of the impact analysis of the NRW.BANK.Green Bond 2020 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, which means that this is only an excerpt of the total ecological value added.

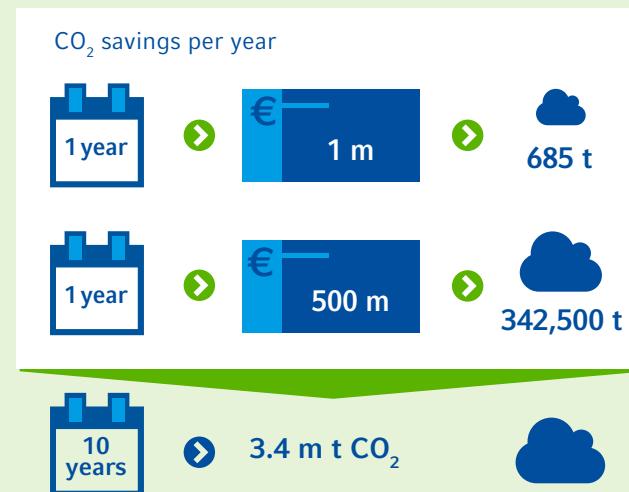
NRW.BANK.Green Bond 2018



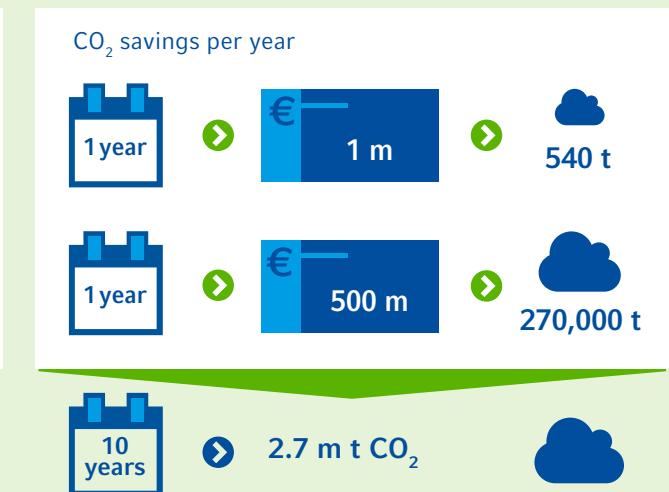
NRW.BANK.Green Bond 2017



NRW.BANK.Green Bond 2016



NRW.BANK.Green Bond 2015



Impact Report for the NRW.BANK.Green Bond 2020

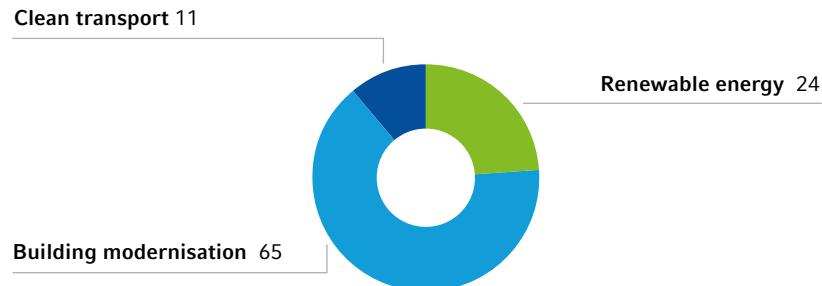
In the reporting year, the Wuppertal Institute again determined the [positive environmental effect](#) of the selected projects in the field of "Climate Mitigation" with a total volume of € 336.1 million.

Field "Climate Mitigation"

The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond 2020 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

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

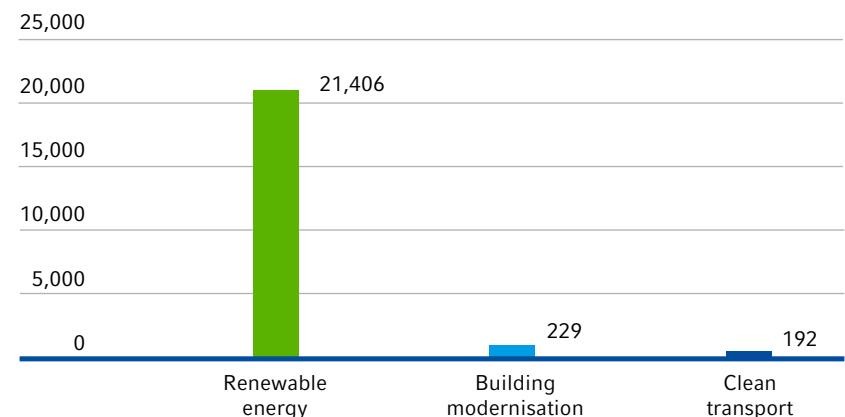
Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 336.1 m) in %



Green Bond 2020 Saves 1.1 Million Tonnes of CO₂ Equivalents

It has been calculated that these projects avoid greenhouse gas emissions of approximately 1.1 million t of CO₂ equivalents over the 10-year term of the NRW.BANK.Green Bond 2020. This is roughly equivalent to the CO₂ storage capacity of a managed forest the size of Berlin. Measured by the size of the Green Bond asset pool of € 500.0 million, approx. 220 t of CO₂ equivalents are saved per € 1.0 million per year.

CO₂ Equivalents Avoided Through a € 1.0 Million Investment Over a Ten-year Period in Tonnes



Renewable Energy

€ 77.3 million of the Green Bond asset pool is attributable to newly erected onshore wind parks with a total capacity of 91 MW (promotion portion: 100%). They produce an estimated 134.2 GWh of electricity per year. Onshore wind turbine generators once again proved to be the most efficient form of investment for the avoidance of greenhouse gas emissions in the Green Bond. Compared to the German energy mix, the wind power turbines save 103 kt CO₂ (NRW: 185 kt CO₂; EU: 64 kt CO₂)¹⁾.

€ 3.3 million of the Green Bond asset pool 2020 was used to promote the expansion of rooftop PV systems (promotion portion: 100%). This will generate an additional renewable energy output of 3.1 MW, resulting in annual savings of 1.8 kt CO₂ compared to the German energy mix (NRW: 3.5 kt CO₂; EU 1 kt CO₂). In addition, € 1 million is attributable to ground-mounted PV systems (promotion portion: 100%). The 0.9 MW output saves 500 t of CO₂ per year. All projects will continue to avoid greenhouse gases also beyond the maturity of the Green Bond.

Building Modernisation

The Bank used funds in the total amount of € 206.3 million from its Green Bond to support the modernisation of university hospitals (promotion portion: 45%). Compared to existing buildings, the greenhouse gas emissions are thus reduced by approx. 2,100 tonnes of CO₂ equivalents per year.

Another € 11.0 million are assigned to the energy-related refurbishment of residential buildings. As a result, 140 t of CO₂ equivalents were saved per year compared to the heating requirements of the existing housing stock.

Clean Transport

The purchase of electric cars, electric buses and charging stations accounted for € 9.4 million of the asset pool. Compared to conventional vehicles, these avoid 100 t of CO₂ per year (taking into account the production of the vehicles). An amount of € 27.8 million was invested in energy-efficient trams, which save another 200 t of CO₂ per year.

Field “Climate Adaptation”

€ 163 million from the Green Bond 2020 was used to refinance measures implemented by Emschergenossenschaft for the conversion of the River Emscher. The funds will once again enable a large number of water engineering measures in 2020. All of them are aimed at achieving a sustainable, ecologically renewed river landscape in the Emscher region. For a region formerly dominated by mining and heavy industry, the renaturation of the Emscher River is a driver of structural change that is creating important natural and recreational areas. Internationally, this project serves as a blueprint for similar projects in Asia, Africa, Latin America and the USA. Emschergenossenschaft reports on the progress made in the renaturation of the Emscher system.

Construction of Sewers in the Emscher Catchment Area

With the large, modern sewer along the Emscher completed in 2019, the focus in 2020 was placed on the construction of sewers in the Emscher catchment area. Here, 92% of the 436 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 the separation between fresh water and waste water.

¹⁾ kt = kiloton (equivalent to 1,000 t)

Flood Protection Expanded

As urban water management systems, the new water bodies also include the necessary rainwater treatment plants. In 2020, another rainwater retention basin with a capacity of 41,300 m³ was created. To prevent flood levels as a result of heavy rainfall, further capacities were created in the reporting year in the form of flood retention basins. The total capacity is 2.9 m³ (target: 3.3 million m³). The additional retention volume created in floodplains along the renaturalised river courses was approx. 1.1 million m³. According to Emschergenossenschaft, flood damages worth almost € 2 million p.a. have been avoided this way.

Biodiversity Doubled

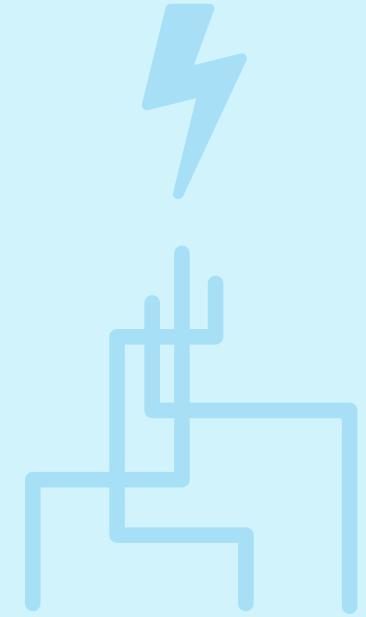
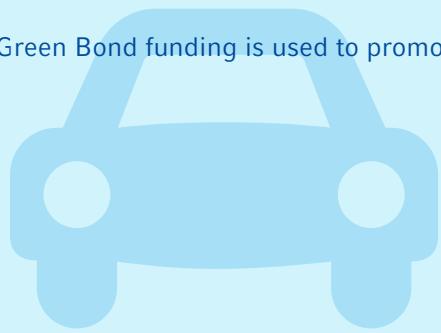
Of the 328 km of rivers and streams in the Emscher system, 148 km have already been renaturalised and are developing so well that they are demonstrably enabling a new urban biodiversity. To date, around 1.5 million m² of real wetlands (water areas, floodplains and adjacent land areas) have been created. This is equivalent to the size of 208 football pitches. The newly created replacement floodplains along the renaturalised river courses are also part of this and, apart from providing protection against flooding, ensure that the biodiversity of animals, plants and fungi in the river and its surroundings increases strongly. Close to 70 species can today be found again in the Emscher system. They reflect the naturalness of the renaturalised waters, where only three species were found in 2006.

Outlook

The completion of the Emscher sewer also marks the completion of the first and most important phase of the renaturation of the Emscher. In the coming years, the focus will be on the now-freshwater-carrying Emscher and its feeder streams. NRW.BANK will also support this project and make up to € 1.6 billion available to Emschergenossenschaft until the mid-2020s. As the Emscher project meets the strict criteria of the EU Taxonomy (TEG version of March 2020), 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.



STADTWERKE RHEDE GMBH

ELECTROMOBILITY

www.stadtwerke-rhede.de

23 charging points taken into operation



46 charging points throughout the city

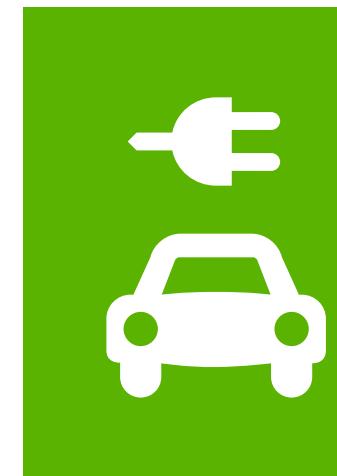
6 electric vehicles in the utility's own fleet



Rhede Goes (Electro-)Mobile

Close to the Dutch border, Stadtwerke Rhede shows how the mobility transition can be driven forward. The "NRW.BANK.Elektromobilität" programme, which is refinanced via the NRW.BANK.Green Bond 2020, allowed the city to purchase 23 additional charging stations. A total of 46 charging points now make for a city-wide charging infrastructure for electric vehicles.

The city is thus paving the way for the transition to electric mobility and is setting a good example at the same time, as six of the 24 vehicles of the municipal energy supplier already have an electric drive, while another three have hybrid drives. Under its ambitious climate management plans, the city will prioritise fully electric solutions for future vehicle purchases. Going forward, Stadtwerke Rhede will thus place a focus on sustainable and resource-efficient mobility.



EMSCHER-GENOSSEN-SCHAFT

INFRASTRUCTURE

www.eglv.de/en/



Back to Nature with a Large-scale Project

Back in the 1990s, the Emscher still transported the sewage of the Ruhr area in open sewers; today, large parts of the river are a renaturalised ecosystem. This was made possible by a logistic and economic tour de force, as Emschergenossenschaft is investing more than € 5 billion in the construction of over 400 km of underground sewers and in the renaturation of the old riverbed, including replacement floodplains and new floodplains. For 15 years, NRW.BANK has been providing significant support to what is North Rhine-Westphalia's largest infrastructure project. NRW.BANK.Green Bonds will play an important role in funding the project up to the completion of the conversion. Almost € 1 billion in funding has already been refinanced through the bonds.

The renaturation and the associated effort are clearly worthwhile, which is not least reflected in the fact that the biodiversity in the Emscher area is growing steadily. In addition, a green recreational and leisure space is being created for the people living in Europe's largest conurbation.

€ 163 million
refinanced through
the NRW.BANK.Green Bond 2020

148 km
of renaturalised
river course
(as of 2020)



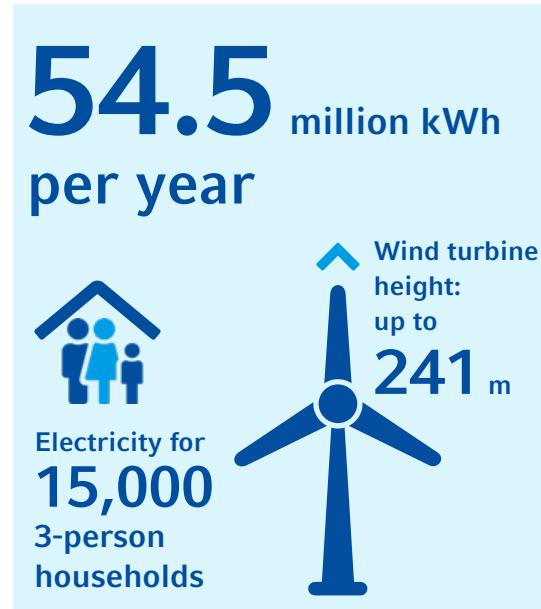
Approx.
€ 1 Billion
refinanced
through
NRW.BANK
Green Bonds



GESCHER COMMUNITY WIND FARM

ENERGY INFRASTRUCTURE

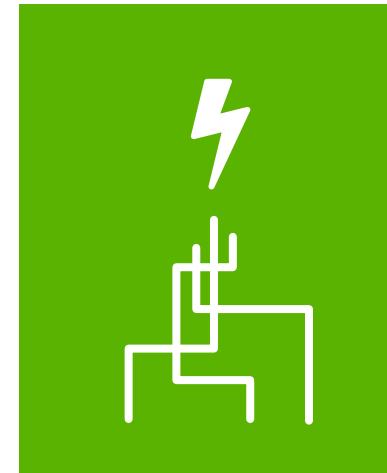
www.windenergie-gescher.de



Energy from the Region for the Region

In the vicinity of Gescher in the western Münsterland region, Glockenstadt Energiegenossenschaft eG and Gescher Bürgerwind GmbH & Co. KG have started the second construction phase of the Bürgerwindpark Gescher. The two operating companies will gradually erect five wind power turbines in the communities of Tungerloh-Pröbsting and Estern. NRW.BANK supports the project with the "NRW.BANK.Energieinfrastruktur" programme, which is refinanced via the NRW.BANK.Green Bond 2020.

With a total height of 178 to 241 m and a rotor diameter of 150 m, the giant wind turbines will soon rise from the fields. Completion is scheduled for the second half of 2021. The operating companies then expect a yield of around 54.5 million kWh per year, which is sufficient to cover the requirements of 15,500 three-person households. In a "good wind year", the output will probably be even somewhat higher. A total of 300 citizens and the City of Gescher directly participate in the wind power plant. The shareholders expect their first dividend in the financial year 2023.



NRW.BANK.Social Bond 2020

For NRW.BANK, promoting sustainable development in North Rhine-Westphalia is of enormous importance. The Bank aims to reconcile economic goals with environmental and social responsibility. To this end, NRW.BANK supports the regional economy, finances affordable home ownership and secures the liquidity of the municipalities. 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 the year under review and successfully issued its first social bond, the NRW.BANK.Social Bond 2020. This makes NRW.BANK the first German promotional bank that is active in the social bond segment. The Bank thus creates a close link between the positive social impact of its promotional business and the capital market.

The decision to develop a concept for a Social Bond Framework was made already in autumn 2019. The framework is provided by the ICMA's Social Bond Principles (SBPs). In close cooperation with leading market partners, NRW.BANK developed a robust Social Bond Framework by June 2020.

- 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 housing (SDGs 1 and 11)
 - Affordable home ownership → Low/mid-income families
 - SME financing and employment security (SDG 8)
 - Small and medium-sized enterprises (SMEs) → Labour market
 - Access to essential services (SDG 4)
 - Municipalities → Education
 - Access to public goods and services (SDGs 1 and 10)
 - Municipalities → Public goods and services in economically disadvantaged communities
 - "Do No Significant Harm" criteria and Sustainability Guidelines are taken into account

- Project assessment and selection
 - Second party opinion: ISS ESG confirms sustainability benefit of the pool
 - (Re-)financing of loans whose commitments date back to no more than 36 months before the year of issue
 - (Dynamic) asset pool exceeds outstanding bond volume
- Management of proceeds
 - Ring-fencing not necessary
 - Top-ups possible
 - Internal earmarking of the loans
- Comprehensive annual reporting
 - Wuppertal Institute prepares impact analysis; reporting based on asset pool

Pool-to-Bond Approach

Unlike NRW.BANK's Green Bond concept, the Social Bond concept is a pool-to-bond approach. The qualifying credits are collected in a pool and specifically support five of the UN Sustainable Development Goals (SDGs):

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

The pool-to-bond approach results in a direct link between the bond and the pool, but not the loan itself. This ensures that the asset pool exceeds the outstanding bond volume. No credit in the pool (use-of-proceeds) is older than three years – relative to the year of issue.

ISS ESG verifies compliance with the ICMA Social Bond Principles in a Second Party Opinion and confirms the social value added of the asset pool 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 2020 asset pool below and presents an initial impact analysis:

2020 Asset Pool

The 2020 asset pool, which formed the basis for the NRW.BANK.Social Bond 2020, has a volume of around € 8.5 billion. The distribution of the loans considered over the three years is very balanced. Besides bonds, the pool may also be used for commercial papers (CPs). The high volume of the asset pool also makes flexible volumes and currencies possible.

Distribution of Loans Considered for the 2020 Asset Pool in € billions

Project category	2017 t_{-3}	2018 t_{-2}	2019 t_{-1}	2020 Asset Pool (t_0)	NRW.BANK.Social Bond
Affordable home ownership	0.1	0.1	0.3		
SMEs					No currency restrictions
General loans	2.0	2.0	1.4		EUR
Special loans		>0.1	0.2		AUD
Municipalities					GBP
„Gute Schule“	0.1	0.3	0.2		USD
General loans	0.4	0.6	0.7		...
Total	2.6	3.1	2.8	8,5	No maturity restrictions
					1 week to 30 years
					CPs or bonds
					No volume restrictions

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 school education, as well as of loans and liquidity support for economically disadvantaged communities. The asset pool reflects the social share of NRW.BANK's promotional business.

Affordable Home Ownership

The project category "affordable home ownership" mainly includes loans to low/middle-income families to whom rising property prices would otherwise make home ownership inaccessible. Eligible recipients include, for instance, couples with a taxable annual income of up to € 75 thousand, although most recipients are below under € 50 thousand.

SME Financing and Employment Security

The project category "SMEs" includes loans to small and medium-sized enterprises with revenues of less than € 50 million. Enterprises which are family-owned and family-managed may exceed this threshold, as the economic structure has evolved over time. Enterprises are often owned by the founding family over several generations. They are successful, grow continuously and also establish themselves in new markets. NRW.BANK's promotional programmes ("NRW.BANK.Universalkredit" and "NRW.BANK.Digitalkredit") are aimed at securing and creating jobs. Their focus is on reducing long-term and youth unemployment.

Municipalities

The project category "municipalities" comprises loans for the modernisation and expansion of school infrastructure¹⁾ as well as general loans to economically disadvantaged municipalities in North Rhine-Westphalia. The aim of the "NRW.BANK.Gute Schule" programme is to make school buildings digital, barrier-free and energy-efficient. Modern, inclusive and digital schools are the foundation for good, sustainable school education and have a positive impact on the qualification of pupils.

This project category includes only loans without specific purpose, which were granted to municipalities whose per-capita gross domestic product is within the lowest quartile in North Rhine-Westphalia and whose jobless rate is above the federal state average. These loans and liquidity aid serve to maintain or improve the supply of public goods and services to the population.

The breakdown of the 2020 asset pool by project category is as follows:

Project category	Target group	€ 8.5 billion
Affordable home ownership	Low/mid-income families	6%
SMEs		
General loans	Long-term and youth unemployment	64%
Special loans	Long-term and youth unemployment	3%
Municipalities		
„Gute Schule“	Students	7%
Loans without specific purpose	Economically disadvantaged municipalities	20%

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.

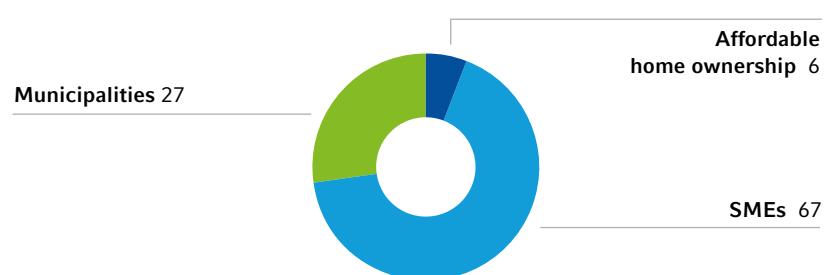
As with the NRW.BANK.Green Bonds, the social benefit achieved by the loans selected is reviewed by the Wuppertal Institute for Climate, Environment, Energy.

¹⁾ The programme is open not only to municipalities but also to independent or church school sponsors

Impact Report for the NRW.BANK.Social Bond Asset Pool 2020

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 nevertheless address this issue, NRW.BANK decided to cooperate with the Wuppertal Institute for Climate, Environment, Energy. The good experience gained in connection with the impact analysis for the NRW.BANK.Green Bond programme already showed that the close scientific support from an independent partner is extremely 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 2020 asset pool by project category in %



Methodology

The impact analysis of the loans in the asset pool in the amount of € 8.5 billion, of which € 7.5 billion (88%) could be analysed this year, is based on the recommendations of the ICMA's [Harmonized Framework for Impact Reporting](#) (2020) 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 added social impact making use of an "outcome pathway". The overarching goal is to link target-oriented lending and impact to the SDGs in order to quantify effects where possible. An attempt is made to define a cause-impact chain ("Input", "Activities", "Outputs", "Intermediate & Long-term Outcomes") to aim for a certain impact. The starting point is always the desired outcome - which, in the case of the NRW.BANK.Social Bond, is currently based on one or more of SDGs 1, 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 (88% of the 2020 asset pool), concrete impacts within the meaning of the SDGs have already been identified for two project categories. It has been shown, for instance, that low-income households have been given access to 701 residential units ("affordable home ownership" category) and that some 42,000 additional jobs have been created in North Rhine-Westphalia ("SME financing" category). While no concrete impact indicators could be determined in the other project categories this year, 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

The analysed loans in the amount of € 189.0 million give households in North Rhine-Westphalia with an annual income of less than € 50 thousand access to a total of 701 newly built or purchased housing units. In addition, the Wuppertal Institute estimates that € 21.3 million (11.3%) was used to provide access to 26 housing units in regions with above-average rent levels and to 148 housing units in densely populated regions. This increases the recipients' disposable incomes by up to € 450 per month.

Access to Essential Services (Quality Education)

Of the approximately € 595 million from the "NRW.BANK.Gute Schule" programme, 71% (about € 420 million) has been drawn for school renovation measures in 429 municipalities in North Rhine-Westphalia. Around € 191 million went into the construction and equipment of school buildings (on average € 870 thousand per project). About € 35 million was used for the construction of sports facilities (on average € 571 thousand per project). Another approximately € 139 million could be assigned to the general modernisation of school buildings (on average € 587 thousand per project), with the remaining approx. € 55 million used to provide IT equipment and to improve the IT infrastructure (on average € 282 thousand per project).

Access to Public Goods and Services

An impact analysis for the loans of around € 1.7 billion granted to 14 economically disadvantaged municipalities was not yet possible within the framework of this report. It was found, however, that an estimated half of the funds (about € 860 million) were used to reduce financial burdens (repayments of bank loans as well as loans granted by municipalities to municipal enterprises). In relation to the population, the financial burden on the municipality was reduced by an estimated € 103 per capita. The other half of the loans granted by NRW.BANK to economically disadvantaged municipalities serves investment purposes. These loans allow the investments in the respective municipality to be increased by about € 103 per capita¹⁾.

SME Financing and Employment Generation

Of the nearly € 5.0 billion in the "SME financing" category, the Wuppertal Institute was able to attribute 36.4% (about € 1.8 billion) to structurally weak regions. It estimates that the loans in the 2020 asset pool create up to 42,400 additional jobs in economically disadvantaged regions. In fact, employment effects will be higher, as commuter flows are not taken into account. A total of around 12,000 loans were considered in this category.

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](#).

¹⁾ Note: Even though the amounts are the same, they are unrelated.

Social Bond Projects

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



MARTIN-LUTHER-SCHULE

EDUCATION

www.martin-luther-schule-coesfeld.de



City of Coesfeld Creates Optimum Conditions for Learning

The municipality in the Münsterland region invested € 6.9 million to renovate the Martin Luther primary school to continue offering children the best possible environment for learning. Between June 2018 and August 2020 there was a state-of-the-art indoor ventilation system and a new modern technical infrastructure with a broadband connection installed at the school. The gym was expanded into a meeting place and the outdoor facilities were redesigned, to name but a few of the measures implemented. Also, an extension was built to give the children more room for learning. A newly installed elevator provides barrier-free access to the classrooms also in the listed part of the building.

NRW.BANK contributed a total of around € 2.9 million to finance the measures. The funds come from the "NRW.BANK.Moderne Schule" programme and from the "NRW.BANK.Gute Schule 2020" programme, which is included in the Social Bond asset pool 2020.

Optimum learning conditions

for **190**

pupils



investments
in the amount of

€ 6.9 million

685 sqm
additional space
due to the extension



FRIESEN FAMILY

HOME OWNERSHIP

158 sqm
of own living
space created



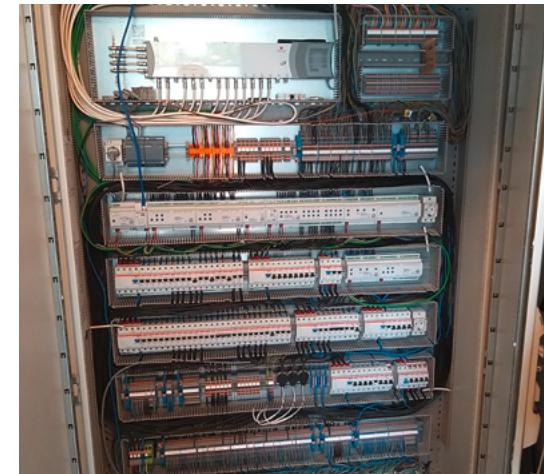
25 years
of low interest



A Home Ownership Dream Come True

In Hamm, Westphalia, Vitali Friesen was finally able to move into his long-awaited home together with his wife and daughter. Even though the exterior work has not yet been completely finished, the new owners of the house feel very comfortable within their own four walls. Without NRW.BANK, they would probably not have been able to realise their dream of owning a 158 square metre home, which has been designed as a "smart home" with a heat recovery system. They financed the property with the "NRW.BANK.Wohneigentum" programme, which the promotional bank for the State of North Rhine-Westphalia use to promote the construction or purchase of owner-occupied homes. Making home ownership affordable for low and middle-income households and thus enabling homeowners to make sustainable provisions for old age are just two of the objectives of the promotional programme.

The Friesen family benefits from the favourable interest rate on their subsidised loan, which is fixed over the entire 25-year term. The programme is part of the Social Bond asset pool 2020 and will thus be refinanced via the NRW.BANK.Social Bond first issued in 2020.



NRW.BANK.Green Bond Investment Portfolio

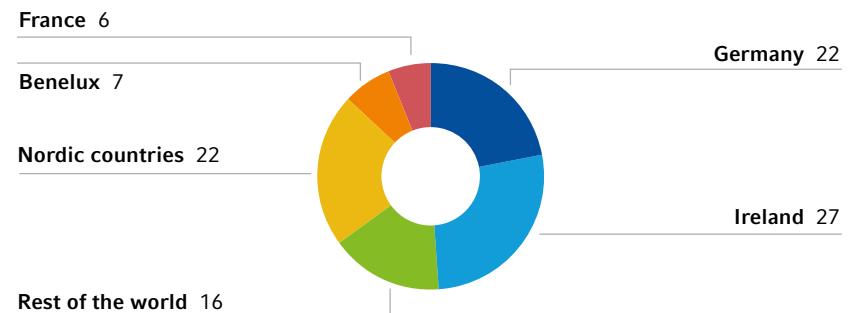
NRW.BANK continues to expand the Green Bond investment portfolio launched in 2017. The Bank is no longer merely an issuer of green bonds but also considers such bonds for its own investments.

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

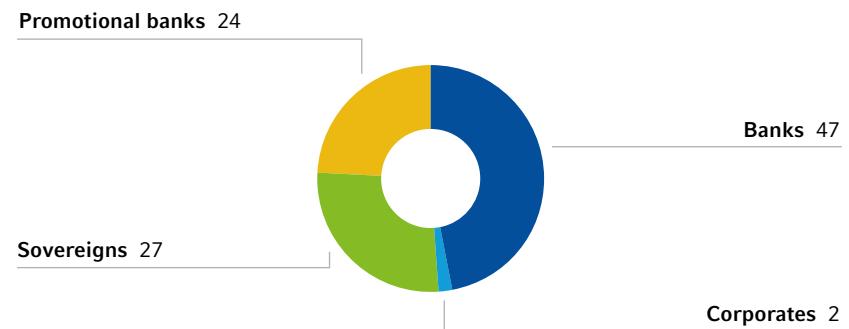
The Bank's target to establish an NRW.BANK.Green Bond investment portfolio with a volume of at least € 200 million by 2020 was reached already in late 2018. Consequently, NRW.BANK then raised the target to € 400 million by the end of 2020. This target was also reached. In the year under review, the Bank decided to further develop its Green Bond portfolio into a sustainable investment portfolio. As of 2021, it therefore includes not only green bonds but also social bonds. The target volume of the portfolio has again been raised, this time to € 500 million by the end of 2021.

As of 31 December 2020, the portfolio already had a volume of € 425 million and comprised green bonds from the following countries/regions or sectors with maturities until 2031:

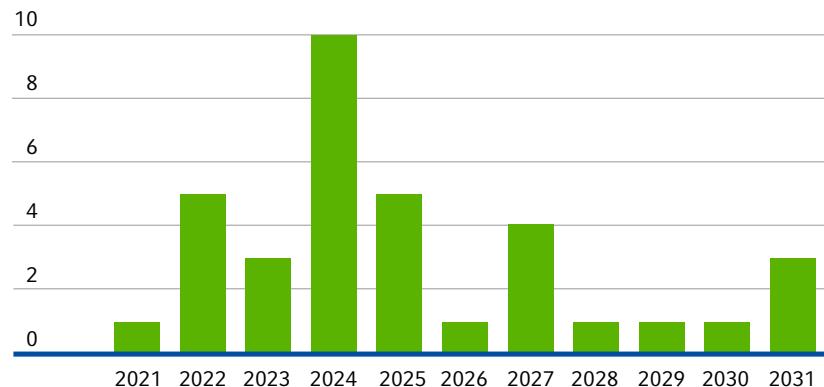
NRW.BANK.Green Bond Investment Portfolio by Countries in %



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



Maturity Structure of the Green Bond Investment Portfolio in %



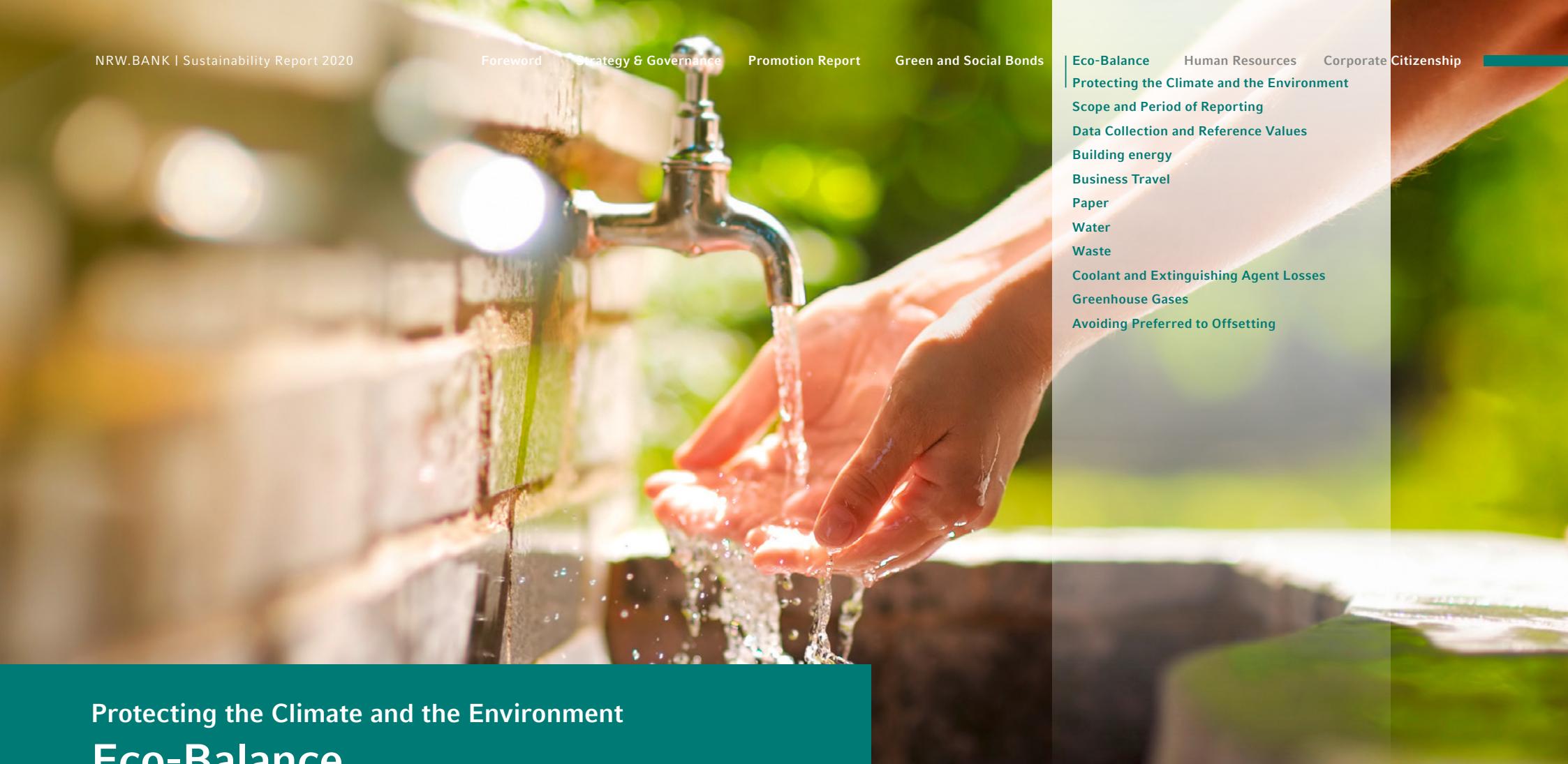
The issues in the NRW.BANK.Green Bond investment portfolio are green bonds whose funds raised are used by the issuers to invest in environmental projects, e.g. to promote renewable energy, sustainable buildings, low carbon transport and (waste) water management. The projects (re-)financed with the funds mainly have positive impacts on SDGs 6, 7, 9, 11, 13, 14 and 15. All issuers of the bonds included in the portfolio state that they publish impact analyses. Allocation reports and impact analyses are available for 98% of the portfolio, with one issuer reporting only every two years, though.

The impact analyses of the issuers are based on different frameworks. The most frequently used framework is the MDB Harmonised Framework for Impact Reporting (46%) or national benchmarks. The issuers also use regional standards such as the Nordic Public Sector Position Paper on Green Bonds Impact Reporting (10%). The [methodology used by the European Investment Bank to determine the carbon footprint](#) is also beginning to play an increasingly important role. NRW.BANK welcomes the efforts of all issuers to identify the positive impact of green bonds. Because of the great heterogeneity of the reporting methods and the benchmarks used for comparison, reliable aggregation is not yet possible, though.

Sustainability Criteria for the Investment Portfolio

NRW.BANK manages its sustainable investments in the investment portfolio in cooperation with MSCI ESG Research. To integrate ESG criteria into the selection of the investments and the management of the portfolio, NRW.BANK developed its own sustainability traffic light system, which is monitored via a daily report. It builds on the MSCI ESG Corporate Rating, the MSCI ESG Government Rating and the MSCI ESG Controversies. The latter is based on flags ranging from green to red. Very serious violations of international standards (the canon of values is based on some 50 generally accepted global standards, such as the UN Global Compact and the ILO Core Labour Standards) are indicated by red flags and are subject to an investment ban. For a detailed description of the approach, see pages 14 and 15 of the [Guidelines](#).

As a next important step, NRW.BANK signed the UN Principles for Responsible Investment (UN PRI) in December 2020. NRW.BANK thus commits itself to the six Principles for Responsible Investment and is continuously working to implement them and integrate them into its capital market business.



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

Conserving Resources in Banking Operations

NRW.BANK actively supports the political and social sustainability efforts and is doing everything possible also within the Bank to conserve resources and ensure sustainable operations. The Bank thus helps implement the North Rhine-Westphalian government's guiding principle of "sustainability".

The Bank uses resources consciously and carefully to reduce carbon emissions from its operations to a minimum. It is the Bank's declared objective to vigorously cut the use of resources and to largely offset unavoidable impacts to the extent possible. To ensure that the positive trend in its environmental performance indicators continues, the Bank pays attention to resource-efficient and energy-efficient technology, uses district heat and energy-efficient IT hardware in all its buildings and sources 100% certified green electricity from run-of-river hydropower plants.

For 14 years, NRW.BANK has prepared a balance sheet of its environmental data and consumption figures in accordance with the standards of the Association for Environmental Management and Sustainability in Financial Institutions (VfU e.V.).

Scope and Period of Reporting

To prepare its eco-balance for 2020, NRW.BANK determined the environmental impacts resulting from its business operations. These were strongly influenced by the coronavirus pandemic. For instance, employees increasingly used the possibility to work from home. At the same time, the Bank implemented comprehensive hygiene measures at its locations. However, since no distinction was made between work in the office and mobile work when recording the activities, the scope of the eco-balance remained confined to the buildings. The Bank did not make use of the option to approximately account for the home office activities as proposed in version 1.4 of the 2018 update of the VfU guidelines.

The reporting period corresponds to the calendar year. The consumption and flow data (input and output) were collected for the period from 1 January 2020 to 31 December 2020. Information relating to vehicles and employees is stated as of the reporting date 31 December 2020.

The floor space data correspond to the status of the existing buildings as of 31 December 2020. In 2020, the Bank operated at three locations in Düsseldorf and at one building complex in Münster. The additional areas used in Düsseldorf since the end of 2019, which have increased the total area by 9,140 m² or 15.9%, are fully covered by the analysis.

Data Collection and Reference Values

As the data are collected in accordance with the VfU standard, they can be compared with data of companies applying the same standard. The basis is formed by the VfU's revised guidelines in conjunction with the conversion factors of the 2018 update 1.3 of 6 January 2020. The data presented here represent an extract from the 2020 eco-balance, which was prepared by consulting firm [wertsicht GmbH](#), Düsseldorf.

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 1,541 for 2020, 1,479 for 2019 and 1,452 for 2018 were taken as the basis.¹⁾

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

¹⁾ Staff numbers are rounded to full employees.

Building Energy

Resource-efficient energy sources such as certified green electricity from run-of-river hydropower plants and district heat from combined heat-and power units are the most important elements of NRW.BANK's sustainable building management efforts. These high environmental standards are implemented at all of the Bank's locations. In addition, the photovoltaic systems in Münster produced roughly 19.5 MWh of electricity to cover the Bank's own requirements in 2020. Overall, NRW.BANK makes a point of using energy-efficient technology.

Energy Consumption in kWh

	2020	2019	2018
Heating energy			
- total	6,705,356	5,525,128	5,060,700
- per employee/year	4,353	3,735	3,484
- per m ² /year	100.7	96.2	88.1
Electricity			
- total	7,062,185	6,105,858	5,918,385
- per employee/year	4,584	4,128	4,075
- per m ² /year	106.1	106.3	103.0

In 2020, NRW.BANK's consumption of heating energy was up by approximately 21.4% on the previous year. The specific indicator per employee rose by 16.5%. The increase in heating energy consumption is due, on the one hand, to the addition of the Herzogterrassen site, which represents 13.7% of the total area of all locations and 12.4% of heating energy consumption. On the other hand, specific consumption per square metre also increased by 4.7%. This is attributable to the fact that the operating hours of the ventila-

tion systems were extended significantly, as they were used to improve air hygiene against the background of the coronavirus pandemic. As a result, the thermal losses of the buildings increased. The weather conditions had a reducing effect on consumption in 2020.

Electricity requirements were up on the previous year, namely by 15.7% in absolute terms and by 11.1% per employee. One of the reasons for this increase was the electricity consumption of the new Herzogterrassen site (17.1% of total consumption), which was rented by the Bank in the year under review. Also, electricity-intensive hygiene measures were taken due to the coronavirus pandemic, as the bank increased the operating hours of the ventilation systems and used mobile air purifiers to improve the indoor air quality. The weather conditions and the high share of employees working from home had a reducing effect on consumption in 2020.

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 coronavirus pandemic and replaced by video and telephone conferences. To facilitate appealing customer contacts even without on-site visits, additional media studios were set up specifically for roadshows, etc. 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.

All rail trips made with Deutsche Bahn AG (229,074 km) are fully carbon neutral and are included in the CO₂ balance at a reduced conversion factor. Another 1,313 km were travelled by Thalys, which were counted at the full conversion factor for CO₂ emissions according to the VfU standard.

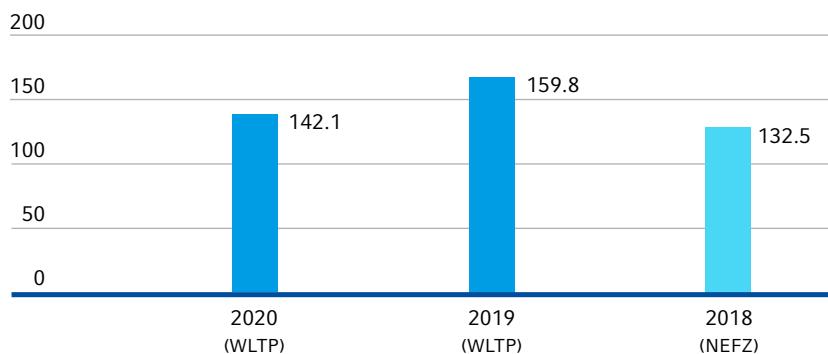
As in the previous years, multi-leg flights¹⁾ were broken down into segments for the reporting of short-haul and long-haul flights.

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

With regard to NRW.BANK's fleet of 2018 company vehicles, the carbon emissions of 79 of all vehicles have been recorded in accordance with the Worldwide Harmonized Light-Duty Vehicles Test Procedure (WLTP), which was introduced for new vehicles in September 2018. The NEDC (New European Driving Cycle) manufacturer data that were valid before September 2018 were still used for all vehicles in the 2018 eco-balance. As the WLTP measuring method shows significantly higher average exhaust gas values than the manufacturer's data determined according to the NEDC, the average carbon emissions factors of the vehicle fleet for 2019 and 2020 (159.8 g/km and 142.1 g/km, respectively) were higher than for 2018 (132.5 g/km). However, as another eleven company cars were converted to hybrid drives (thus a total of 19% of all service vehicles), the average carbon emission factor of the vehicle fleet for 2020 was reduced by 11.1% compared to 2019.

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

Average CO₂ Emissions of the Company Cars in g/km



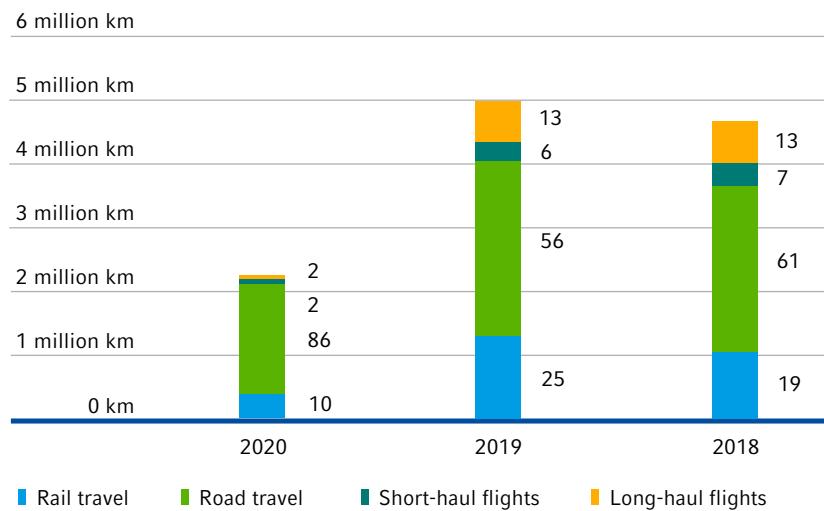
NRW.BANK's employees travelled a total of 2,304,183 kilometres on business trips in 2020. This is equivalent to 1,496 km travelled per employee. Compared to the previous year, the total kilometres travelled thus declined by 53.8% and the kilometres travelled per employee were down by 55.6%. This is largely due to the coronavirus pandemic, which had a material impact on the distribution of travel activities over the individual means of transport.

Business Travel in km

	2020	2019	2018
Rail	230,387	1,227,187	968,843
Road ¹⁾	1,987,615	2,815,788	2,768,741
Short-haul flights	33,125	278,189	321,492
Long-haul flights	53,056	663,515	677,154
Total	2,304,183	4,984,679	4,736,230
km per employee	1,496	3,370	3,261

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

Share of Means of Transport in %



While in 2020 the share of rail travel dropped to 10.0% (previous year: 24.6%) and the share of air travel declined to 3.7% (previous year: 18.9%), the share of road travel climbed from 56.5% to 86.3%. On the one hand, this was due to the fact that in times of the pandemic, the means of transport exposed to a higher risk of infection were avoided. On the other hand, business trips to international destinations were virtually non-existent and events were cancelled.

Paper

For the 2020 eco-balance, NRW.BANK recorded all paper used in the offices including printed matter (e.g. letterhead), envelopes and communication materials (e.g. annual reports, brochures, flyers, etc.) as well as the external printed output.

Total consumption in 2020 amounted to 27.9 t (previous year: 50.0 t), while per-capita consumption reached 18.1 kg (previous year: 33.8 kg). As a result, total paper consumption declined by 44.1% compared to the previous year. This was partly due to the reduced presence in the office buildings resulting from the coronavirus pandemic. Paper consumption also declined because of employees' growing awareness and the increasing digitalisation of business processes.

The table below exclusively shows the consumption of office paper. Excluding envelopes and printed matter, there was a reduction of 34.2% in absolute terms or 36.8% per employee:

Office Paper Consumption¹⁾ in kg

	2020	2019	2018
Total	19,797	30,096	34,437
kg per employee	12.9	20.3	23.7

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 2020, recycled paper accounted for 59.1%, down 12.3 percentage points on the previous year. This decline is primarily attributable to the fact that printed products, marketing materials and annual reports, for which exclusively recycled paper is used, have been reduced to approx. 25%.

Paper Types of Total Paper Consumption in %

	2020	2019	2018
Recycled paper	59.1	71.5	72.3
Primary fibre paper, ECF ¹⁾ (incl. wood-free)	20.7	10.9	10.7
Primary fibre paper, FSC and PEFC ²⁾	20.2	17.6	17.0

¹⁾ Elemental chlorine-free (ECF)

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

Water

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

The following figures show the total water consumption, which also includes the water consumption of the kitchens at the locations in Münster and at Kavalleriestraße in Düsseldorf.

Absolute water consumption across all locations was up by 8.5% on the previous year, while per-capita consumption increased by 4.2%. This is due to the additional water consumption at the new Herzogterrassen site, which accounts for 22.2% of total consumption. Water consumption at the previously existing locations declined.

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

	2020	2019	2018	Unit
Total consumption	27,191	25,056	23,564	m ³
Daily consumption per employee ¹⁾	70.6	67.7	64.9	l

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

Waste

The 2020 eco-balance covers the following waste types: paper (incl. documents shredded), mixed packaging, food residues, waste fats, green waste, glass, residual waste, sludge from the company's own water treatment, mixed scrap, electronic waste, batteries, data carriers, bulky waste, oily waste and fluorescent lamps.

The specific average weights of the waste fractions determined for the individual sites in 2017 were also used to determine the weight quantities in 2020 as the composition of the waste remained unchanged.

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

Taking the waste types mentioned as well as the empirically determined conversion factors into account, the Bank produced a total of 240.7 t of waste in 2020 (previous year: 279.2 t). This is equivalent to 156.2 kg of waste per employee (previous year: 188.7 kg).

Total waste and waste per employee thus declined by 13.8% and 17.2%, respectively. This reduction was mainly due to the lower amount of documents shredded, which had temporarily increased in the previous year, and to the lower amount of food waste, which is attributable to the reduced staff presence at the Bank's locations due to the pandemic.

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

	2020	2019	2018
Waste paper	27.6	24.7	27.8
Document shredding	27.4	65.1	46.5
Residual waste	50.3	39.6	40.5
DSD ("Green Dot")	14.9	10.4	11.0
Total¹⁾	120.2	139.8	125.8
kg per employee	78.0	94.5	86.7
Recycling ratio ¹⁾	62.6%	73.4%	69.7%

¹⁾ Excl. other and kitchen waste

Used paper, residual and DSD waste volumes were higher than in the previous year. This is attributable both to the fact that the Bank increasingly used disposable packaging to supply employees with food/drinks and to the increased amount of packaging from deliveries.

Coolant and Extinguishing Agent Losses

Since 2019, NRW.BANK's eco-balance has also included the CO₂e emissions from cooling and extinguishing agent losses in the reporting period. In 2020, losses amounted to 7.8 kg of refrigerant R134a and 13.5 kg of refrigerant R449a, down 61.0% and 69.3%, respectively, on the previous year.

Greenhouse Gases

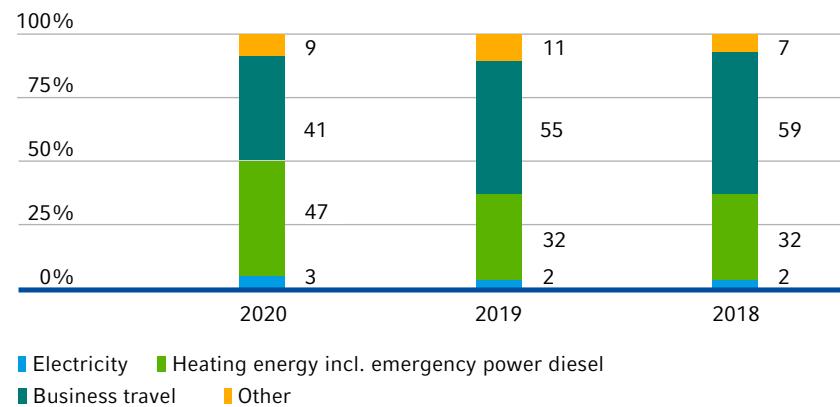
NRW.BANK's CO₂ balance covers all the above-mentioned environmentally relevant consumption figures and wastes as well as the quantity of emergency power diesel used summarised in a single performance indicator. This performance indicator, which is based on CO₂ equivalents (CO₂e) is an important variable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

For the 2018, 2019 and 2020 eco-balances, the conversion factors of the VfU standard (2018 updates, versions 1.2 and 1.3) were used as the basis for the calculation of the CO₂e emissions.

CO₂e Emissions in kg CO₂e

	2020	2019	2018
Electricity	49,183	42,107	41,407
Heating energy incl. emergency power diesel	779,170	643,681	589,880
Business travel	667,638	1,099,573	1,092,825
Paper	30,375	54,284	61,933
Drinking water	18,028	16,612	15,623
Waste	67,015	62,820	59,527
Coolant and extinguishing agent losses	30,014	90,068	-
Total emissions	1,641,423	2,009,144	1,861,195
CO ₂ e/employee	1,065	1,358	1,281
Offset by climate certificates	1,641,423	2,009,144	1,861,195
Total	0	0	0

CO₂e Emissions by Producers in %



In 2020, NRW.BANK emitted a total of 1,641 tonnes of CO₂e.

This is equivalent to 1,065 kg of CO₂e per employee. Compared to the previous year, this represents a decline by 18.3% in absolute terms and by 21.6% per employee.

The reduced emissions are mainly attributable to the pandemic-related reduction in business trips. The reduced cooling agent losses and the lower paper consumption also contributed to the decline. By contrast, emissions from the consumption of building energy increased due to the additional space.

Direct and Indirect CO₂e Emissions at NRW.BANK in 2020 According to VfU (Update 2018, Version 1.3) in kg CO₂e

Greenhouse Gas Sources	Scope 1 ¹⁾	Scope 2 ¹⁾	Scope 3 ¹⁾	Total
Electricity				49,183
– renewable			46,834	46,834
– photovoltaic plant			2,349	2,349
Heating energy				779,170
– district heat		608,712	155,967	764,679
– emergency power diesel	12,104		2,387	14,491
Travel				667,638
– rail			65	65
– rail, carbon-neutralised			2,153	2,153
– road, company car	315,247		238,493	553,740
road, rental car			98,157	98,157
– short-haul flights			5,628	5,628
– long-haul flights			7,895	7,895
Paper				30,375
– recycled paper			17,877	17,877
– primary fibre paper (ECF, TCF, FSC, PEFC)			12,498	12,498
Water			18,028	18,028

Greenhouse Gas Sources	Scope 1 ¹⁾	Scope 2 ¹⁾	Scope 3 ¹⁾	Total
Waste				67,015
– waste incineration			62,697	62,697
– special waste			4,318	4,318
Coolant and extinguishing agent losses				30,014
– R134a	11,154			11,154
– R449a	18,860			18,860
Total	357,365	608,712	675,346	1,641,423
kg CO₂e/employee				1,065

¹⁾ Distinction between direct and indirect emissions:

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

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

Avoiding Preferred to Offsetting

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

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

The CO₂ emissions of 1,641 t produced in 2020 were voluntarily offset by the Bank by using certificates from a wind farm project in Inner Mongolia (People's Republic of China).

Emissions from the Bank's mail have also been recorded. NRW.BANK sends its mail in a carbon-neutral way via [Deutsche Post DHL Group](#) and [Brief und mehr GmbH & Co KG](#). Carbon emissions resulting from this transport totalled 11.13 t in 2020. The Bank neutralised these emissions by purchasing certificates and thus supported climate protection projects.

Assuming Social Responsibility for Employees

Securing Junior Staff

Facilitating Development

Life-long Learning

Equal Opportunities and Fair Working Conditions

Maintaining Performance

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. The strategic objectives of the Bank's Human Resources activities therefore include winning and retaining qualified employees and preserving their performance to ensure that NRW.BANK can successfully fulfil its tasks as the promotional bank for North Rhine-Westphalia now and also in future.

In the context of the Bank's human resources strategy, this overriding goal involves three fields of action which ensure that all activities and measures support the accomplishment of the strategic objectives:

- securing junior staff
- facilitating development and
- maintaining performance

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

Securing Junior Staff

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



Award-winning vocational training

The results of a survey among the 20,000 companies with the largest number of employees in Germany conducted by business magazine "Focus Money" in April 2020 ranked NRW.BANK as the industry winner among the state and promotional banks in Germany, with the Bank scoring 100 out of a possible 100 points. This makes it one of the best training companies in Germany for the third year in a row.

For several years, NRW.BANK has supported the [Fair Company](#) initiative, which focuses on interns, working students, job starters and trainees. As a "Fair Company", NRW.BANK is primarily committed to reliable quality standards and verifiable rules for interns and graduates joining the Bank.



The requirements forecast by the Bank's divisions with regard to the number and qualifications of junior staff are continuously incorporated into the planning of training, as are the development of the professional profiles and dual study courses. In summer 2020, NRW.BANK thus decided to no longer offer a commercial apprenticeship but to offer a third dual study course instead. The new Bachelor of Arts "Management & Digitalisation" programme was very well received by applicants, so that all planned places could be filled. At the bottom line, the number of young people trained by NRW.BANK has remained constant despite of this change:

- five places for the new Bachelor of Arts "Management & Digitalisation" dual study course, of which three in Düsseldorf and two in Münster;
- five places for the Bachelor of Arts "Finance & Banking" dual study course and
- four places for the Bachelor of Science "Business Information Systems" dual study course.

This means that NRW.BANK have clearly intensified its training activities, especially in IT-related fields. For all apprentices, the Bank offers not only well-qualified trainers for the practical vocational part, but also offers extensive support in the form of target group-specific seminars and business games.

Given that NRW.BANK trains young people to cover its own requirements, permanent employment contracts are offered to all apprentices who complete their apprenticeships with good results. In 2020, six trainees from the "banking clerk" traineeship and six students from the "Finance & Banking" dual study course as well as one student from the "Business IT" study course were taken on as regular employees. Three trainees opted for full-time studies after completing their banking clerk traineeship and against permanent employment.

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

Facilitating Development

In order to ensure their long-term retention, NRW.BANK offers its junior staff – as well as all its other employees – numerous development opportunities and prospects.

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

ployees. This process was extended to include structured bottom-up feedback, which 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, every employee may initiate an exchange about their individual development opportunities and the necessary implementation steps independently of the appraisal process.

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

In 2020, 92 employees took advantage of the opportunity to move to a new position within the Bank. As internal staffing usually results in a new vacant position, a consistently pursued internal staffing policy is ideally suited to offer the Bank’s own employees the widest possible range of internal career development opportunities. Moreover, 20 employees returned to the Bank from parental leave or from leave granted under the “Landesgleichstellungsgesetz” (State Equal Opportunities Act) in the year under review.

However, people from the external market had to be hired again in 2020 as not all vacant positions could be filled with the Bank’s own employees and apprenticeship graduates.

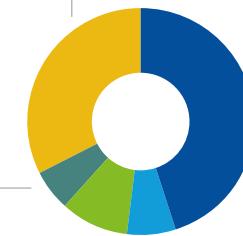
Vacant Positions Filled in 2020

**External
hiring 66**

**Permanent employment of
temporary staff 12**

**Employees returning
from parental leave 20**

**Internal
Changes 92**



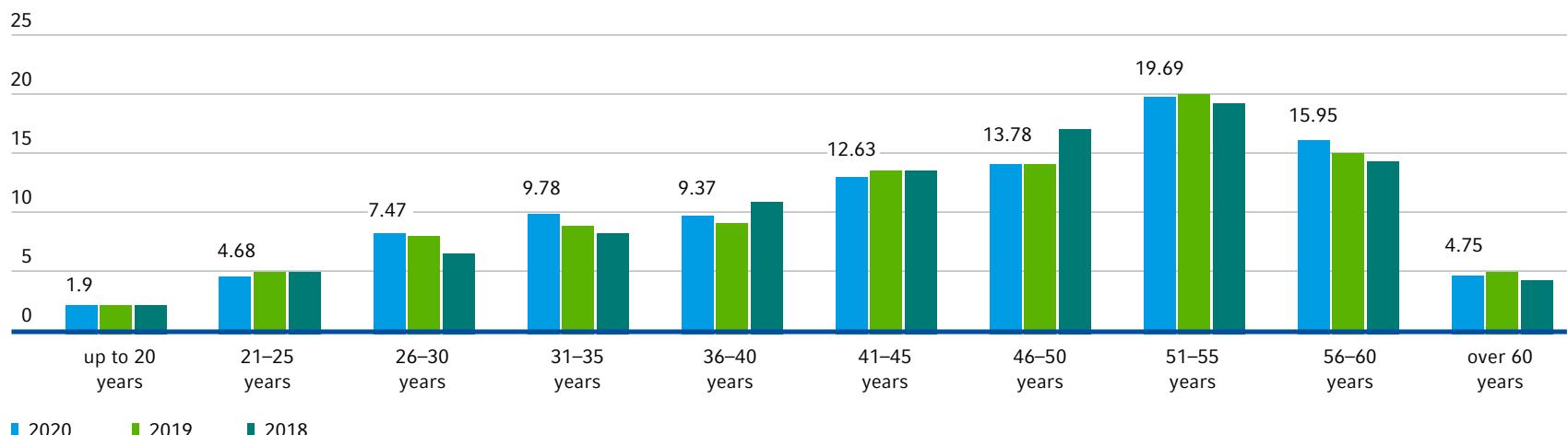
**Employment
after the completion of
training programmes 14**

Age-related resignations will remain at a similar level in the coming years as a result of the workforce's age structure. Forward-looking planning ensures that measures to retain expertise within the Bank are taken at an early stage. In accordance with the Bank's strategic objective, these foreseeable resignations will be used to offer junior staff suitable career development opportunities.

Life-long Learning

Knowledge and experience are indispensable when it comes to accepting and mastering new challenges. NRW.BANK provides a wide variety of HR development measures to support its employees in this respect. After the initial training, NRW.BANK assists employees, for instance in obtaining the above-mentioned qualifications and degrees by bearing (part of) the study and examination fees. In 2020, 19 employees obtained such a degree with support from the Bank, including eight Bachelor and nine Master degrees as well as two specialist qualifications. As of 31 December 2020, 56 employees were still in such qualification programmes, with the Bachelor's and Master's programmes recording the highest demand (22 and 27 participants respectively).

Age Structure¹⁾ in %

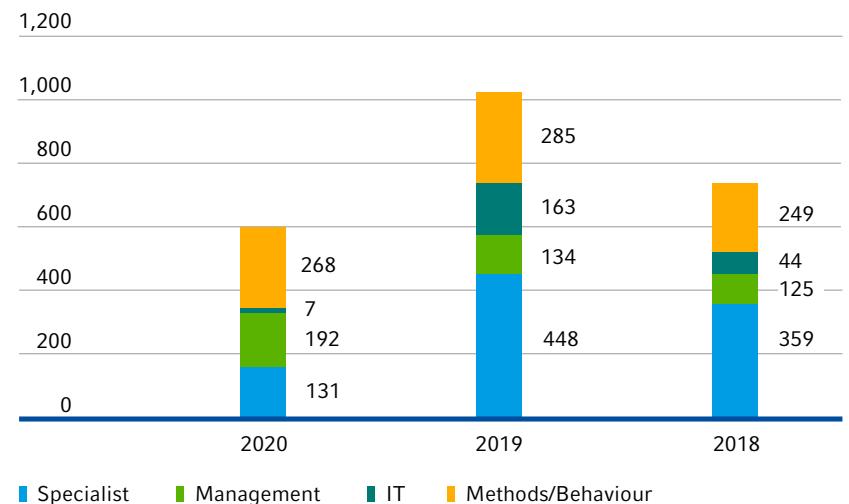


¹⁾ Excluding employees on parental leave as well as employees under temporary

In addition, NRW.BANK offers its employees a comprehensive range of seminars for professional and personal growth. Most of these seminars are held internally¹⁾. Over time this form of training has proven to be a great success and has met with a very positive response from all employees due to the high quality of courses offered and how pertinent they are to the Bank's needs and requirements.

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

Internal Seminar Attendance by Topic



In 2020, NRW.BANK's HR development activities were strongly affected and restricted by the effects of the coronavirus pandemic. Due to a sharp drop in specialist and IT seminars, the total number of internal seminar participants declined noticeably compared to the previous year. The main focus was placed on leadership seminars as well as behavioural/methodological seminars on managing the effects of the coronavirus pandemic. For these topics, the Bank adapted various existing training formats to virtual formats and developed new formats in response to the changed work situation. Here, the participant numbers of the previous years could thus be

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

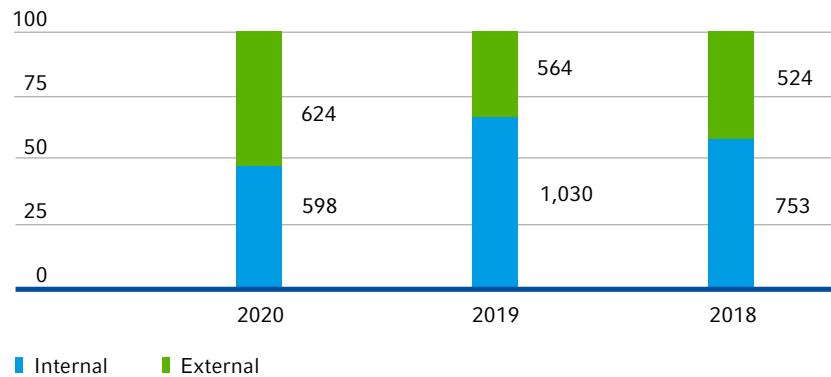
reached or even increased. In the year under review, the internal catalogue of seminars comprised 36 different subjects, for which 85 seminars with a total of 598 participants were organised. Internal and external seminar offers were taken up almost equally in the year under review.

To train its executives, NRW.BANK offers them a multi-part systematic executive development programme, completion of which is mandatory. In addition to an entry module, there are two follow-up modules for more experienced executives. All modules comprise several days of training, which are spread over a longer period of time to enable participants to process developments and improve the transfer of learnings into practice. More than 60% of NRW.BANK's executives have meanwhile completed the final module. In order to support an ongoing consideration and discussion of leadership issues, the Bank regularly offers workshops on related topics for this target group. In 2020, the participants addressed the topic of conflict resolution and the personal attitude required for this from a leader. As in the previous workshops, the focus was on a joint reflection of the experiences made in this regard from the participants' own leadership reality. The offerings for executives are rounded off by supplementary measures enabling executives to handle special leadership situations.

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

Against the background of the changed working conditions, the Bank placed a special focus on virtual collaboration in 2020. In this context, the Bank introduced not only an online format on working and creativity methods but also a training series on "Virtual moderation and discussion management". In addition, a special training series on "media/camera work" was held for employees who represent NRW.BANK at external online events. In addition to the extensive range of internal offerings, the employees of NRW.BANK may also take part in seminars organised by external providers. The absolute number of external seminar participations increased slightly compared to the previous year. More than 80% of these seminars were professional seminars that are only relevant for a limited number of employees, which means that it would have been uneconomical to organise them internally.

Ratio of Internal and External Seminar Attendance in %



Equal Opportunities and Fair Working Conditions



For many years, NRW.BANK has pursued a policy of supporting the balance of work and family life and promoting equal opportunities. In 2015, this NRW.BANK policy received the "[berufundfamilie](#)" certification. The 2018 re-audit confirmed that NRW.BANK may bear the certificate for another three years. Aspects that were regarded as particularly positive include the self-management of working time, the individual and flexible part-time

schemes and the possibility to assume management roles also when working reduced hours. Also, employees very much appreciate the comprehensive child care support in the form of day care places, emergency and holiday care options and a child care subsidy. Employees whose relatives are in need of care receive support in the form of advice and services for their care and support.

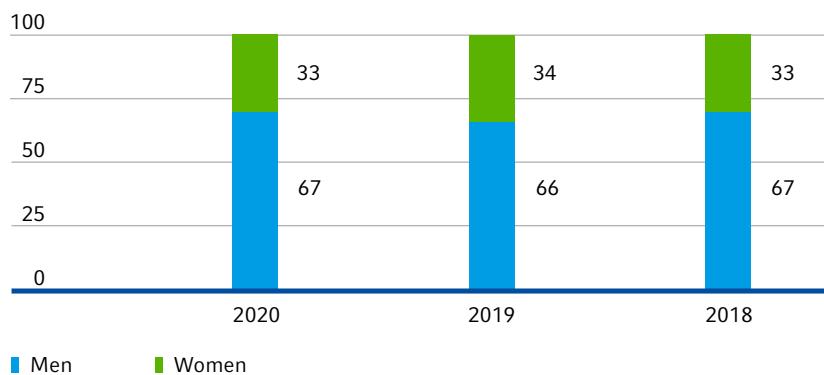
These offerings especially for children below school age assist young families in balancing work and family life.

In its Equal Opportunities Plan, NRW.BANK publishes measures to promote gender equality and to improve the balance of work and family life. These measures were again very well received in 2020, which is also reflected in the 2020 equal opportunities indicators. In particular, employees made greater use of individual part-time arrangements and the flexibility provided in choosing the place of work. As early as 2019, the Bank created the technical prerequisites that enabled up to 90% of its employees to work mobile in the reporting year. At the same time, NRW.BANK temporarily extended the working hours to the maximum possible range of 6 am to 10 pm in 2020.

The Bank's employees continued to make strong use of the flexible options for reducing their working hours. Compared to the previous year, the share of part-time employees increased slightly to 39%. Women who work part-time worked 73% of the full working hours on average, while men worked 90% on average. This trend also continued for the executives working part-time. As of 31 December 2020, close to 29% of the executives worked part-time.

The share of women in executive positions across all management levels including the Managing Board declined slightly from 34% to 33% as of 31 December 2020, which means it is back at the level of 2018. The share of women in specialist roles not covered by collective bargaining agreements is much higher (39%). The Bank upgraded this category in 2020: the financial and personal development opportunities of specialists are now the same as for executives in comparable functions.

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



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



2020 was the second year which saw NRW.BANK get the "Top Career Opportunities for Women" seal. In the year under review, the Bank even emerged as the winner in its line of industry sector. Aspects that were particularly appreciated included equal pay, individual development opportunities, flexible working hours and places of work, comprehensive child care options as well as suitable leadership concepts (e.g. part-time or tandems).

To promote fair dealings with each other, prevent discrimination and harassment (because of ethnic background, gender, religion or belief, handicap, age or sexual identity) and raise awareness of these issues among all employees, the Bank concluded the "Fairness at Work" convention already back in 2007. It defines measures as well as structures and processes for following up on incidents reported. The Complaints Office, which was established in accordance with the German General Act on Equal Treatment (AGG) when the service agreement came into force, is run by NRW.BANK's Equal Opportunities Officer. If employees experience discrimination or harassment despite the measures implemented by the Bank, they may contact the Complaints Office – also anonymously. As in the previous years, no incident was reported to the Complaints Office in 2020.

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 [Annual Report 2020](#).

In accordance with the requirements of the Remuneration Transparency Act, the Bank's "Report on Equal Opportunities and Equal Pay", which was published for the first time in the notes to the 2017 Management Report, describes the measures taken to promote equal opportunities for women and men in terms of the filling of vacant positions, personnel development and work-life balance and how structural inequalities in the remuneration policy are excluded. The latter is ensured, in particular, by means of a job appraisal that is exclusively based on the requirements of the respective position, i.e. irrespectively of the person. In doing so, the Bank bases its decisions regarding positions covered by collective agreements on the requirements of the "basic collective agreement for private sector and public sector banks ("Manteltarifvertrag für das private Bankgewerbe und die öffentlichen Banken")" and for positions not covered by collective agreements on external remuneration comparisons. 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 from former and current employees with regard to criteria such as satisfaction with the corporate culture, working atmosphere and salary, Focus Business and kununu have identified Germany's 1,000 top employers with more than 500 employees in 29 sectors.

According to an evaluation by IT-Finanzmagazin published in the summer of 2020, NRW.BANK has the most satisfied employees in the German banking sector. This is the result of an evaluation of kununu and Glassdoor, two independent employee platforms, on which NRW.BANK was rated more than 150 times by former and current employees.

Maintaining Performance

Occupational Safety and Health Management

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

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

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

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

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

NRW.BANK's Health Management is also represented in the "Krisenstab Coronavirus" (Coronavirus Crisis Team) launched in 2020. Due to the coronavirus-related restrictions, the Bank was unable to implement health promotion measures as originally planned. Instead, such measures were guided by the requirements resulting from the coronavirus pandemic and were initially aimed at protecting employees against infection. As a result, however, various measures were taken to avoid potential problems that may arise from the protective measures. The executives, for instance, were trained in "leading from a distance" in addition to the existing seminars. The Bank implemented offers for an "active lunch break" and the Social Officer provides active advice on issues of isolation, excessive demands and other risks related to working from home.

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. More than 80% of the employees have registered on this platform to take advantage of the opportunity to find information about health topics including nutrition or to book courses. Due to the coronavirus pandemic, the provider has also switched to mostly online courses.

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.

The health management programme also includes regular, mandatory online fire safety training for all employees as well as recurring training for the Bank's 117 first-aiders.

Under the motto "Wir für andere" (We for others), employees of NRW.BANK also make health-related contributions to society, e.g. as part of the annual blood donation campaign organised in cooperation with the German Red Cross at both Bank locations, in which a large number of employees participate every year. In 2020, however, the already planned blood donation dates at NRW.BANK had to be cancelled due to the restrictions imposed in response to the coronavirus pandemic. In cooperation with the Bone Marrow Donation Centre in Düsseldorf, NRW.BANK gives its employees the constant opportunity to have their bone marrow typed by the company doctor. Since 2019, the Bank has offered all employees a short training course to refresh their first-aid skills in cooperation with "Die Johanniter". No such courses could be offered in 2020 also due to the coronavirus pandemic. All current occupational health and safety measures as well as NRW.BANK's future plans are detailed in the annual health report which is published on the Bank's intranet.

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

In June 2020, the Bank additionally concluded an inclusion agreement with the staff council. It aims to further improve the conditions for the recruitment, employment and development of people with disabilities within NRW.BANK. The agreement is complemented by an action plan specifying effective measures to reach these goals. Going forward, the action plan will regularly be evaluated and updated if required.

Flexible Annual Working Hours

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

- Since 2013, NRW.BANK has offered its employees the option to take up to two months of unpaid leave of absence in addition to the paid vacations. As the travel restrictions imposed in response to the coronavirus pandemic prompted some applicants to cancel their applications in 2020, only eleven employees took advantage of this option in the year under review.
- The possibility to take five or ten additional days off per year against a corresponding reduction of the salary is becoming increasingly popular among the workforce. In 2020, 257 employees accepted this offer, which represents yet another increase compared to the previous year.

Flexible Working Lifetime

Especially against the background of the age structure and the expected retirement of a large number of specialists in the coming years, NRW.BANK developed a regulation governing the old-age part-time work scheme in 2018. This has several advantages for both the Bank and its workforce: NRW.BANK will have a better possibility to control and manage critical age-related staff departures as well as the necessary know-how transfer. Successor planning will be possible over a longer-term period, allowing the Bank to offer specific development opportunities to qualified junior staff at an earlier stage. Old-age part-time work also caters to employees' wish for a flexible transition into retirement. At the end of the second year after the launch, 21 employees were working old-age part-time, four of whom had already entered the passive phase. In addition, a further twelve applications for the start of old-age part-time work in the following year were submitted and approved in 2020.

NRW.BANK Personnel Figures as of 31 December 2020

	2020 absolute	in %	2019 absolute	in %	2018 absolute	in %
Active employees, total¹⁾	1,421	100	1,392	100	1,365	100
by sex						
– women	722	50.8	723	51.9	708	51.9
– men	699	49.2	669	48.1	657	48.1
by company location						
– Düsseldorf	993	69.9	977	70.2	963	70.5
– Münster	428	30.1	414	29.7	402	29.5
by type of employment						
– full time	863	60.7	863	62.0	908	66.5
– part time	558	39.3	529	38.0	457	33.5
by function group						
– management (incl. Managing Board)	248	17.8	255	18.3	252	18.5
– specialists/project workers	719	51.7	626	45.0	596	43.7
– case workers	351	25.2	411	29.5	410	30.0
– secretaries	47	3.4	46	3.3	50	3.7
– non-commercial functions	50	3.6	48	3.4	51	3.7
– special functions ²⁾	6	0.4	6	0.4	6	0.4
by remuneration						
– collective pay	855	60.2	850	61.1	841	61.6
– non-collective pay	566	39.8	542	38.9	524	38.4

	2020		2019		2018	
	absolute	in %	absolute	in %	absolute	in %
Total average age (in years)	45.9		45.7		45.4	
Average period of employment (in years)	16.5		16.6		16.6	
Total departures	55	3.9	51	3.7	39	2.9
– due to termination	25	1.8	26	1.9	18	1.3
– due to age	30	2.1	25	1.8	21	1.5
Additionally: temporary employees	57		40		36	
Additionally: apprentices and trainees						
– trainees	3		1		0	
– apprentices	49		51		49	
• thereof new apprenticeships	14		14		14	
– completed apprenticeships	16		12		9	
– hiring rate (permanent)		81		75		100

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



Showing Commitment to Society Corporate Citizenship

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

Acting Responsibly

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

The Bank has established a fixed internal process for the allocation of funds. The Bank documents requests for project support in a central place, votes on them according to uniform assessment criteria and submits them to the Managing Board for decision on a quarterly basis. The Managing Board decides on subsidies on the basis of these decision requests and thus has ultimate responsibility within the Bank for the allocation of funds.

An essential prerequisite is that the funds granted are used to finance projects in North Rhine-Westphalia.

The Executive and Nomination Committee is the supreme control body for the allocation of the corporate citizenship funds. Before the beginning of each fiscal year, NRW.BANK submits a budget for all activities under the Corporate Citizenship Programme to the Committee for approval and outlines the projects planned up to that point. After the end of each fiscal year, NRW.BANK reports in detail to the Executive and Nomination Committee on the use of the corporate citizenship funds.

As part of its commitment to society and under its remit as a promotional bank, NRW.BANK endeavours to shape a subsidiarity-based and project-related collaboration with its partners. In this context, the Bank strives to ensure the social and regional balance of its activities in North Rhine-Westphalia. The corporate citizenship budget is divided into the following three categories: "Science & Education", "Arts & Culture" and "Society & Social Affairs".

In 2020, the Bank supported more projects in the area of "sustainability and environmental protection" as well as institutions committed to children's rights and inclusive living than in the previous year. What is more, the Bank also committed donations in the context of the coronavirus pandemic. Accordingly, the promotional funds in the field "Society & Social Affairs" increased significantly to € 446 thousand (previous year: € 158 thousand); in the field "Arts & Culture", they rose to € 325 thousand (previous year: € 296 thousand) and in the field "Science & Education" to € 458 thousand (previous year: € 387 thousand).

The Bank thus committed a total of approx. € 1.2 million (previous year: € 0.8 million) in the form of donations, sponsorships and memberships in 2020. Some of these projects are presented below.

Science & Education

The Bank's concept of corporate citizenship calls for the promotion of creativity and ideas as well as education-related topics for a young target group. The Bank consequently focused on sponsorships related to education in 2020 and supported several projects from the field of "Science & Education". The most important funding projects, apart from cooperation with universities, were:

[EDUCATION Y Bildung. Gemeinsam. Gestalten. e.V., Düsseldorf](#)

Since 2015, NRW.BANK has supported the state programme of the NRW Ministry for School and Education developed by [EDUCATION Y](#) in cooperation with UNICEF on "primary school children's rights". Teachers and educational staff are trained in implementing the participatory idea of the UN Convention on the Rights of the Child in schools using suitable formats such as the installation of class councils. The idea is to offer school children effective development opportunities, to allow them to assume responsibility by helping to shape their own learning process and to give them protection.

School Cooperations in Düsseldorf and Münster

Since 2007, NRW.BANK has financed study and career orientation workshops at four schools in North Rhine-Westphalia, namely Cecilien-Gymnasium and Hauptschule St. Benedikt in Düsseldorf as well as Frei-herr-vom-Stein-Gymnasium and Hauptschule Coerde in Münster. 2020 was the last year in which pupils were given the opportunity to discover their own strengths, talents and interests for their future careers. Parents were involved in the project and learnt how to assist their children in finding the right occupation. The Bank also financed a further training programme for teachers to enable them to better advise their pupils with regard to their career choices. The programme was realised in cooperation with Einstieg GmbH and the Jugendstil agency from Cologne.

Schlaun-Forum e.V., Münster

Since 2011, the Bank has supported the "Schlaun Competition" for students from the 5th semester as well as graduates up to the age of 35 of the fields of study of "urban development", "architecture", "landscape planning" and "civil engineering". Every year, a new location is chosen for which urban planning and development solutions are to be found. One of the objectives of the competition is to encourage creative young talent to come up with new ideas for the creation of forward-looking, energy-efficient and sustainable housing as well as with adequate solutions to the traffic situation in currently problematic city centres. Münster Bahnstadt Süd has been chosen as the location for the [9th Schlaun Competition 2019/2020](#). Because of the coronavirus pandemic, it will be extended into 2021. As a consequence, the start of the 10th Competition will be postponed.

Centrum für bürgerschaftliches Engagement e.V., Mülheim an der Ruhr

The coordination office "AusbildungsPatenProjekte NRW" is sponsored by Centrum für bürgerschaftliches Engagement e.V. in Mülheim and Centrum für nachberufliche Orientierung e. V. in Cologne. It is supported by the "Bürgerschaftliches Engagement" Department of the North Rhine-Westphalian State Chancellery. The aim is to facilitate the transition from school to work after the 9th grade with the help of volunteer training mentors. Socially disadvantaged young people thus benefit from fixed contact persons, who serve as confidants, role models and motivators for them in finding a profession.

Arts & Culture

NRW.BANK attaches great importance to the promoting of young talents. In 2020, the Bank supported numerous projects in the field of "Arts & Culture" and again used the NRW.BANK.Kunstpreis to support young artists in North Rhine-Westphalia.

NRW.BANK.Kunstpreis

In accordance with its arts policy, NRW.BANK has sponsored up-and-coming artists since 2010. Since 2017, the Bank has awarded an annual art award in which state art schools in North Rhine-Westphalia may participate.

The principals of the participating colleges and universities nominate students or graduates who graduated no more than six months ago for the categories "Painting & Graphic Design", "Photography & Media Design", "Sculpture & Installation" and "Performance". The winners of the art award are chosen by a jury of renowned regional arts experts. Due to the coronavirus pandemic, the [NRW.BANK.Kunstpreis 2020](#) was the first to be organised digitally. The website presented not only the competition entries but also the prize ceremony including the welcome address by the patron, Minister Isabel Pfeiffer-Poensgen, as a video format. In 2020, the Bank again awarded prize money in the total amount of € 33 thousand.

Society & Social Affairs

NRW.BANK attaches special importance to promoting responsible behaviour in socially relevant areas. Donations in this area were increased significantly in 2020, with the main focus placed on projects relating to nature and environmental protection, children's rights and inclusive living.

Eine Welt Netz NRW – Eine Welt Mobil in Münster

For ten years, the Bank has supported the "[Eine Welt Mobil](#)" project in Münster. The network helps teach pupils as well as kindergarten children responsible and social behaviour. The main topics addressed are climate protection and ideas for resource-efficient living. In 2020, the donation helped to fund more than 40 uses of the "Eine Welt Mobil" (one world van) and reached some 1,100 children. Additionally, in 2020 and 2021, the Bank funded and will fund a study and the creation of a database to evaluate evidence on One World activities for North Rhine-Westphalia.

Schutzbund Deutscher Wald NRW

In the year under review, the Bank donated to an employee tree planting campaign in Münster as well as to Schutzbund's new forest van, which will be used throughout North Rhine-Westphalia.

Employee Commitment/Christmas Activity

Since 2017, NRW.BANK has made available a total annual amount of € 20,000 to support the honorary work of its employees in charitable organisations. In 2020, the Bank donated € 4,000 each to:

- **Get Joy e. V. Gospelchor Korschenbroich**, which normally supports social projects with the proceeds from its charity concerts
- The boxing department of **TuS Gerresheim**, which supports socially disadvantaged people and immigrants and makes the club motto "Integration through sport" a hands-on experience
- **Kanu Club Hilden e. V.**, which not only allows children to do sports but also encourages them to eat healthily

- **1. Judo-Club Mönchengladbach e. V.**, which offers homework help to immigrant children and young people during training times and has integrated people with refugee experience into the coaching staff
- **Malteser Hilfsdienst e. V.** in Willich and their "Schulsanitätsdienst" project.

Christmas 2019 saw the Bank launch the "Zeitspenden" campaign, which ran until 31 August 2020. In this context, NRW.BANK employees performed a total of 824 hours of voluntary work. The Bank had promised to reward each donated hour with € 10 and to donate the sum to charitable institutions in Düsseldorf and Münster. In this difficult coronavirus year, however, the Managing Board decided to double the amount promised. The Bank thus donated an amount of € 8,240 each to Stiftung Bürger für Münster and BürgerStiftung Düsseldorf. Both institutions care for disadvantaged people and ask for donations of time and money for local projects. NRW.BANK's cash donations support the activities in the fields of "participation/inclusion" and "promotion of civic engagement".

Besides the measures described above, which merely serve as examples, NRW.BANK supported many other projects in the fields of "Science & Education", "Arts & Culture" as well as "Society & Social Affairs" in 2020.

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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