

Providing for the Future

NRW's Sustainability Bond #12



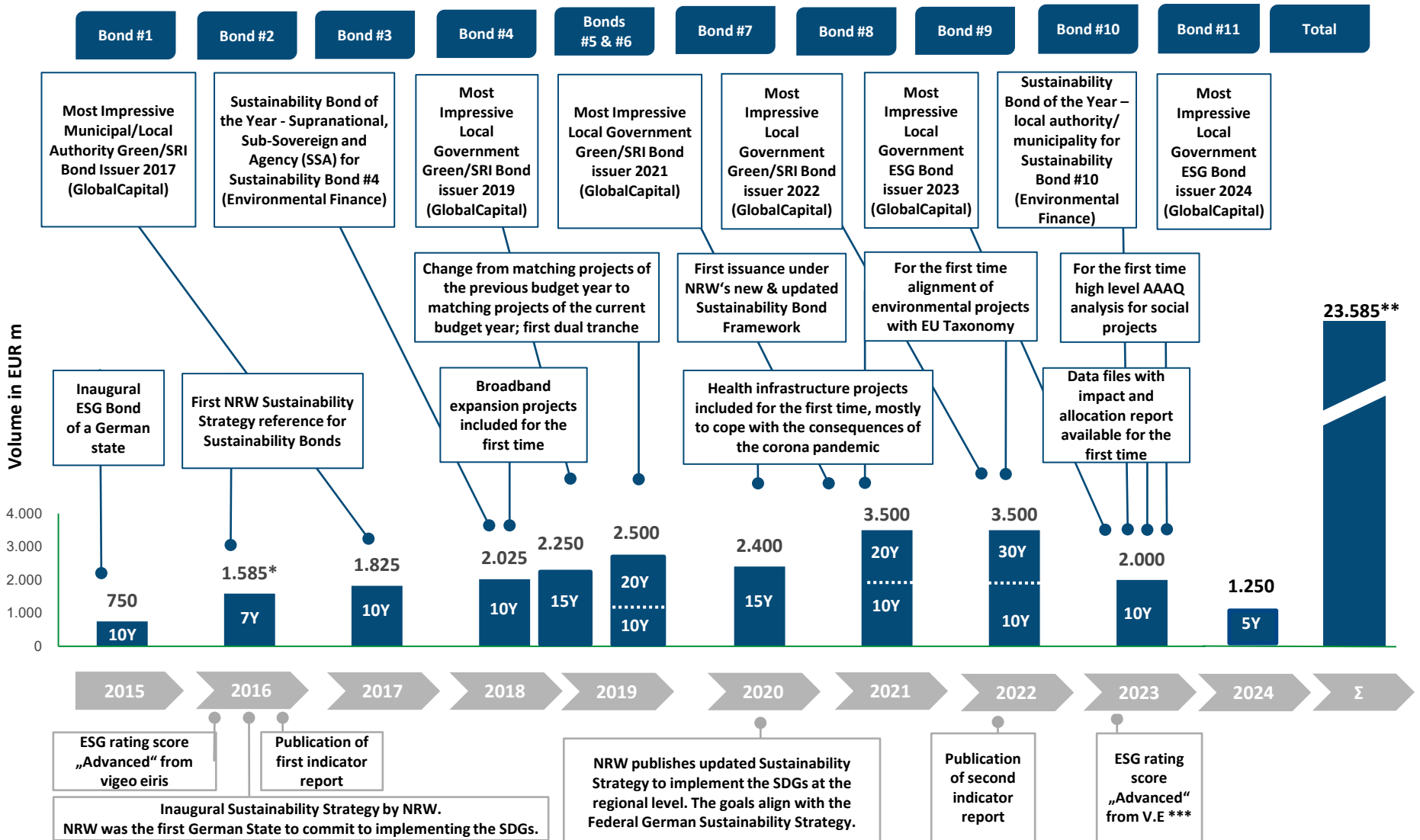


- Sustainable development is a guiding principle for the State of NRW. It actively joins the global efforts under the umbrella of the Agenda 2030 adopted by the UN in 2015 and the 17 Sustainable Development Goals (SDGs).
- The State Government adopted the NRW Sustainability Strategy in 2016 and an updated version in 2020. The Strategy is designed to implement the global Sustainable Development Goals (SDGs) at the regional level. It also serves as the political reference for NRW's Sustainability Bond.
- The core of the [Sustainability Strategy](#) is a set of 67 specific goals and indicators covering 16 of the 17 SDGs (without SDG 14). These goals and indicators are closely aligned with the goals at the federal level. Ecological, economic and social interaction are equally taken into account.
- A separate [indicator report](#) covers the development of the indicators. A dedicated [website](#) enables ongoing progress reporting on the indicators.
- Currently, the Sustainability Strategy is being updated.



Time Flies

A History of NRW Sustainability Bonds



A History of Successful SRI Issuances

NRW Sustainability Bonds



Transaction	ISIN	Settlement	Maturity	Coupon	Size (EUR m)	Reoffer Spread 6ME (bps)	Budget Year
<i>Sustainability Bond #1*</i>	DE000NRW0GP1	11.03.2015	11.03.2025	0.500%	750	-11	2014
<i>Sustainability Bond #2*</i>	DE000NRW0JF6	16.03.2016	16.03.2023	0.125%	1,585	-2	2015
Sustainability Bond #3	DE000NRW0KB3	07.03.2017	16.02.2027	0.500%	1,825	-14	2016
Sustainability Bond #4	DE000NRW0K03	13.03.2018	13.03.2028	0.950%	2,025	-14	2017
Sustainability Bond #5	DE000NRW0LM8	13.03.2019	13.03.2034	1.100%	2,250	10	2018
Sustainability Bond #6/1	DE000NRW0LZ0	26.11.2019	26.11.2029	0.000%	1,000	-3	2019
Sustainability Bond #6/2	DE000NRW0L02	26.11.2019	25.11.2039	0.500%	1,500	9	2019
Sustainability Bond #7	DE000NRW0ML8	12.10.2020	12.10.2035	0.000%	2,400	7	2020
Sustainability Bond #8/1	DE000NRW0MY1	04.06.2021	04.06.2031	0.125%	2,000	0	2021
Sustainability Bond #8/2	DE000NRW0MZ8	04.06.2021	04.06.2041	0.600%	1,500	9	2021
Sustainability Bond #9/1	DE000NRW0NF8	15.06.2022	15.06.2032	2.000%	2,000	-6	2022
Sustainability Bond #9/2	DE000NRW0NG6	15.06.2022	14.06.2052	2.250%	1,500	35	2022
Sustainability Bond #10	DE000NRW0N67	07.06.2023	07.06.2033	2.900%	2,000	3	2023
Sustainability Bond #11	DE000NRW0PR	21.10.2024	15.10.2029	2.500%	1,250	15	2024
Weighted Average Coupon / Total Volume Issued				1.021%	23,585		
Weighted Average Coupon / Total Size Outstanding				1.106%	21,250		

*matured

Awards and Sustainability Rating

Recognized Achievements



• Awards

- GlobalCapital „Most Impressive Municipal/Local Authority Green/SRI Bond Issuer” 2017
- Environmental Finance “Sustainability bond of the Year - supranational, sub-sovereign and agency (SSA)” 2019
- GlobalCapital “Most Impressive Local Government Green/SRI Bond Issuer” 2019
- GlobalCapital “Most Impressive Local Government Green/SRI Bond Issuer” 2021
- GlobalCapital “Most Impressive Local Government Green/SRI Bond Issuer” 2022
- GlobalCapital “Most Impressive Local Government ESG Bond Issuer” 2023
- Environmental Finance “Sustainability bond of the Year – local authority/municipality” 2024
- GlobalCapital “Most Impressive Local Government ESG Bond Issuer” 2024



Sustainability Bond Framework



Structure in 2021

- Separate NRW Sustainability Bond Framework aligned with the ICMA Green Bond Principles (2018), Social Bond Principles (2020) and Sustainability Bond Guidelines (2018).
- Projects classified in 14 ICMA Use of Proceeds categories: 6 SBP and 8 GBP categories.
- Aligned with updated NRW Sustainability Strategy (2020).
- New components: Do no harm principle, compliance to social safeguards, controversies, exclusions.
- SPO for Sustainability Bond Framework from ISS ESG.
- Eligible assets will be made public before issuance of each Sustainability Bond and evaluated with a separate SPO.



- **Sustainability Bond framework updated, publication 2025.**

- Former, issue refers to projects of the **same fiscal year**; from now on, framework issue refers to projects of the **previous fiscal year**.

- ➔ Issue of Sustainability Bond 2024 referring to projects of the year 2024, issue of Sustainability Bond 2025 referring to projects of the year 2024.

- ➔ **Eligible assets** of fiscal year **2024** need to be **shared** by two Sustainability Bonds and need to fit both frameworks.

- ➔ Sustainability Bonds 2024 & 2025 will be for once smaller compared to previous Sustainability Bonds because of shared project pool.

- Adaptation to latest version of ICMA Principles.

- Taking into account evolution of EU Taxonomy.

Use of Proceeds of NRW Sustainability Bond #11+#12

13 SBP and GBP Categories with Projects Related to SDGs



- A. Affordable basic infrastructure
- B. Access to essential services
- C. Affordable housing
- D. Employment generation
- E. Food security and sustainable food systems
- F. Socio economic advancement and empowerment

- G. Renewable energy
- H. Energy efficiency
- I. Pollution prevention and control
- J. Natural resources and land use
- K. Clean transportation
- L. Sustainable water and wastewater management
- M. Climate change adaptation





The Sustainability Bond complies with the four core components of ICMA's Green Bond Principles (2018), Social Bond Principles (2020) and Sustainability Bond Guidelines (2018):

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting



Process for Project Evaluation and Selection

Comprehensive Pre-Issuance Disclosure



- Projects are selected in accordance with the categories and criteria set out in the "Sustainability Bond Framework".
- Only the State's own discretionary spending (net of EU grants, federal grants or other revenues earmarked for specific purposes) is taken into account. Thus, double counting of expenditures in other SRI Bonds is ruled out.
- Projects prescribed by federal law are excluded. Thus, eligible projects are voluntarily provided by the State.
- The State's personnel costs are excluded.
- Prospective allocation of net proceeds is disclosed pre-issuance. A detailed description of all projects ("Eligible Assets") is available at the [website of Sustainability Bond #12](#).
- The eligible assets will be referred to and shared by Sustainability Bonds #11 and #12. The total volume of both Sustainability Bonds will not exceed the expenditures of the eligible assets.

Management of Proceeds



Funding the Public Sector: Sustainability Bond #12

- An amount equivalent to the net issue proceeds of Sustainability Bonds #11 and #12 will be used to cover expenditures for selected social and environmental projects.
- All projects are part of the State's discretionary spending of the fiscal year 2024 and can be traced to the [NRW 2024 Budget Plan](#) (Haushaltsplan 2024). Some projects run for more than one year, but for the issuances at hand, only the expenditures of the fiscal year 2024 are taken into account.
- Final budget results for 2024 and final allocation of proceeds were set out post issuance and comprise the State's expenditures.

Sustainability Quality of the Bond

Verification and Evaluation



- SPOs for Framework and Eligible Assets both provided by ISS ESG.
- SPO for NRW's Sustainability Bond Framework published in 2025 confirms that the Framework is in line with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines administered by ICMA and that the Use of Proceeds categories are consistent with the State's Sustainability Strategy.
- SPO for Eligible Assets finds a positive contribution to the SDGs for eligible assets.





- Impact reporting with regard to projects referred to by the Sustainability Bonds is published on a regular basis and covers social and environmental impacts. Reports are provided by Wuppertal Institut für Klima, Umwelt, Energie gGmbH post issuance.
- The evaluation carried out by Wuppertal Institut comprises an analysis of projects related to the most current issuance as well as a consolidated analysis of the GHG savings over the lifetime of projects related to all Sustainability Bonds NRW issued so far (portfolio approach).
- An allocation report about the previous Sustainability Bond as well as an overview of allocations of all previous Sustainability Bonds is provided in the appendix.



Environmental and Social Impacts of Sustainability Bond #11

NRW Sustainability Bonds #11 Fact Sheet

State expenditures 2024 for projects 2,765.0m | issued in 2024 & 2025
53 eligible projects | impact assessment by Wuppertal Institut

**SDG Contributions by selected projects* in NHA NRW #11**

<https://nachhaltigkeit.nrw.de/en/sustainability-bonds-nrw>



^F full attribution to the State of NRW |

^P partial contribution by the State of NRW (share of financing below 100%)

* Some of the listed impacts have been achieved with projects which have been mapped to more than the mentioned SDGs.

NRW Sustainability Bonds #11 + #12



Contributing to Sustainable Development

- In total, Sustainability Bonds #11 and #12 relate to 53 specific projects mapped to 14 SDGs.
- Eligible assets amount to EUR 2.765bn and will be split between Sustainability Bonds #11 and #12.
- Projects include areas such as education, research, health, local public transport, climate protection and digitalization.
- The State's share in the implementation of the ticket for regional public transportation in Germany (“Deutschlandticket”) is included.
- Data and information for investors available at website.

NRW Sustainability Bonds #11 + #12



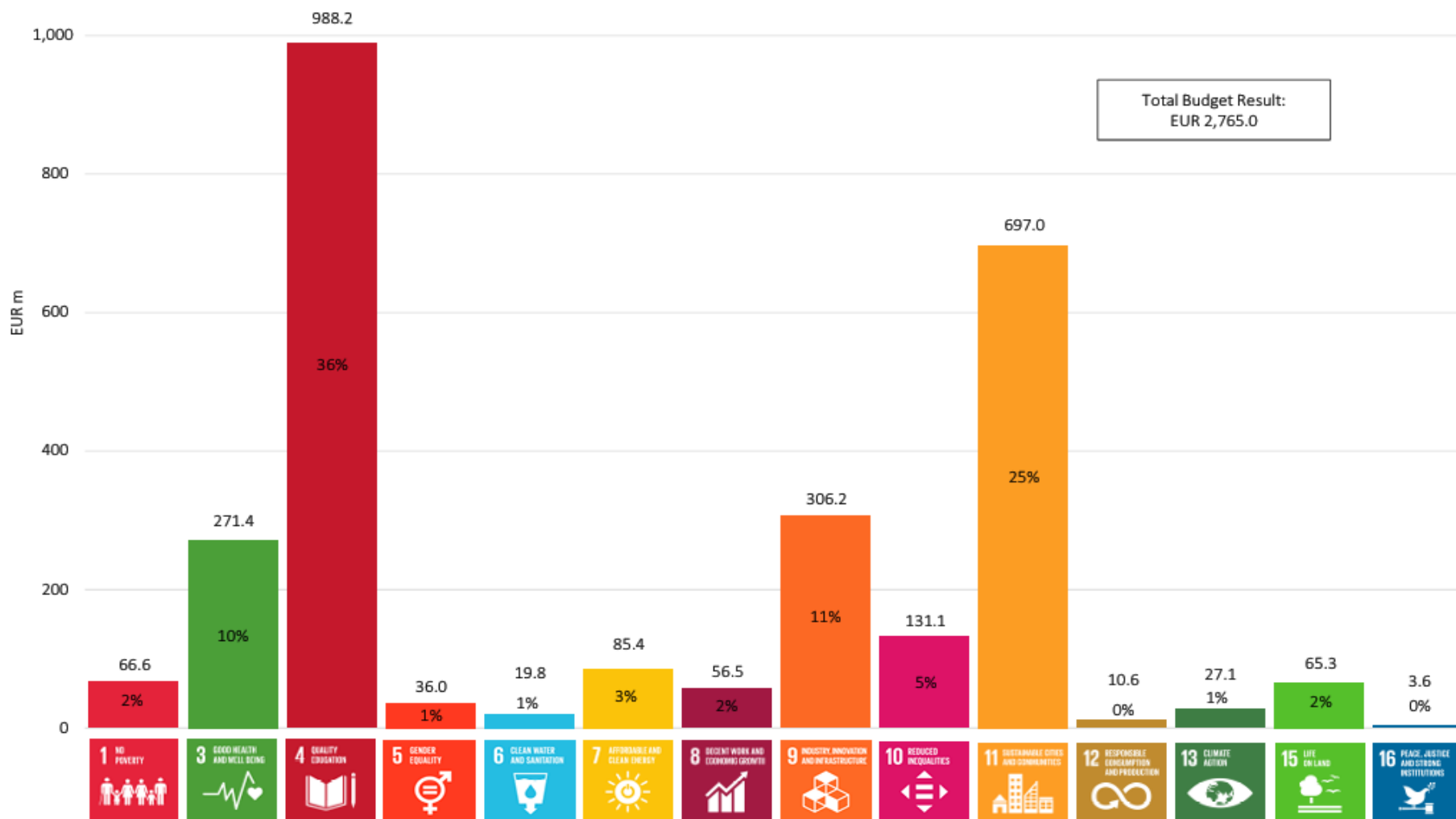
Prospective Allocation of Proceeds

SBP Project Category	Eligible [EUR m]	Share of Assets	GBP Project Category	Eligible Assets [EUR m]	Share of Assets
A. Affordable basic infrastructure	206.6	7.5%	G. Renewable energy	2.1	0.1%
B. Access to essential services	1,545.0	55.9%	H. Energy efficiency	19.2	0.7%
C. Affordable housing	133.2	4.8%	I. Pollution prevention and control	155.8	5.6%
D. Employment generation	4.3	0.2%	J. Natural resources and land use	50.0	1.8%
E. Food security and sustainable food systems	3.8	0.1%	K. Clean transportation	455.4	16.5%
F. Socioeconomic advancement and	128.0	4.6%	L. Sustainable water and wastewater	49.6	1.8%
			M. Climate change adaptation	11.9	0.4%
Social Projects	2,021	73%	Green Projects	744	27%
Total Volume Eligible Assets			2,765		

NRW Sustainability Bonds #11 + #12



Eligible Assets per SDG



A. SBP: Affordable Basic Infrastructure

EUR 206.6m



- Broadband expansion
- Public transportation



B. SBP: Access to Essential Services

EUR 1,545.1m



- Education at universities, schools and day care centres
- Research
- Improvement of health infrastructure



C. SBP: Affordable Housing

EUR 133.2m



- Urban renewal
- Village renewal



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D. SBP: Employment Generation

EUR 4.3m



- Integration of people with disabilities into the labour market
- Sustainable economy



E. SBP: Food Security and Sustainable Food Systems



EUR 3.8m

- EU school programme for healthy food



F. SBP: Socio Econ. Advancement & Empowerment



EUR 128.0m

- Fight against poverty
- Integration of migrants
- Integration into the labour market
- Inclusion of disabled people
- Female empowerment
- Protection against violence



kinderstark
NRW schafft Chancen

G. GBP: Renewable Energy

EUR 2.1m



- Energy storage

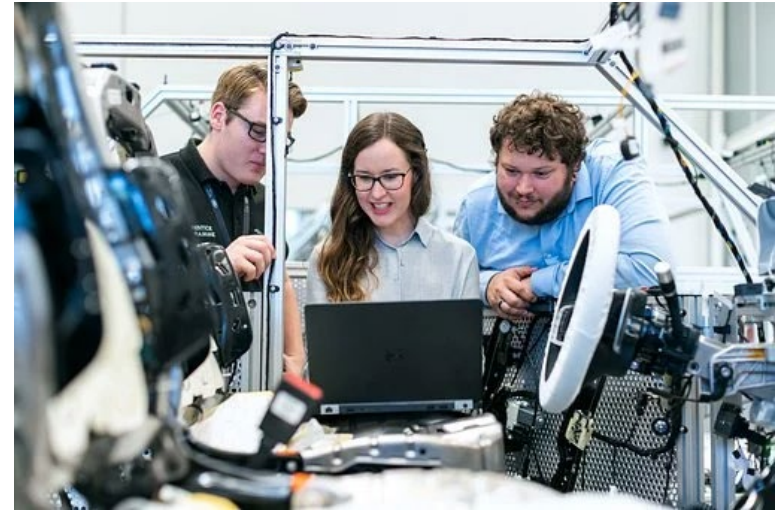


H. GBP: Energy Efficiency

EUR 19.2m



- Energy efficiency
- E-mobility
- Resource efficiency



I. GBP: Pollution Prevention and Control



EUR 155.8m

- Hydrogen-energy
- Research
- Climate protection

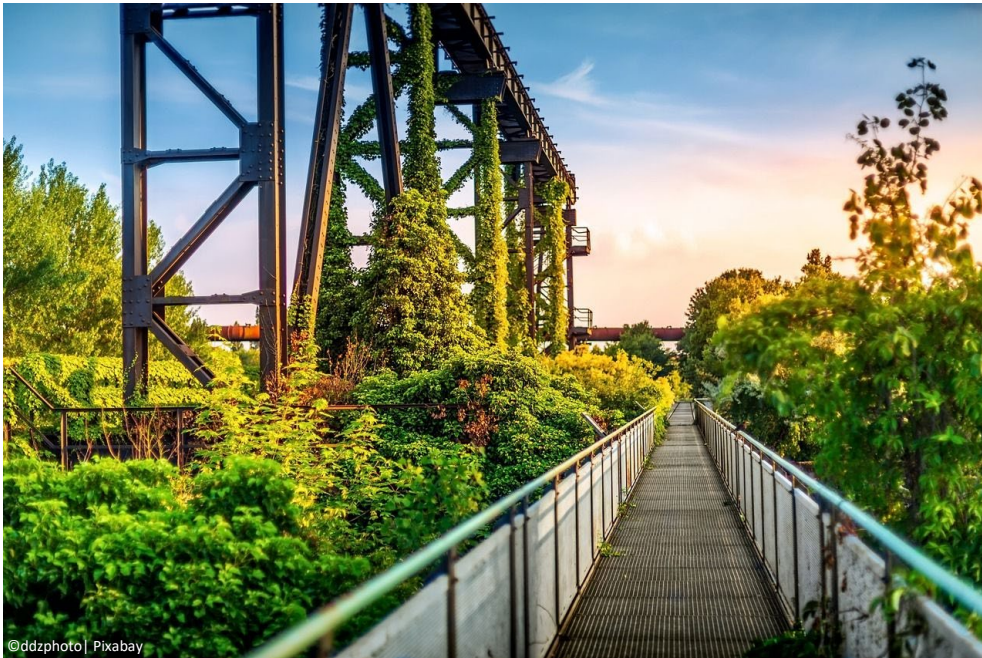


J. GBP: Natural Resources and Land Use

EUR 50.0m



- Biodiversity



K. GBP: Clean Transportation

EUR 455.4m



- Infrastructure for cyclists and pedestrians
- Public transportation (“Deutschlandticket”)



L. GBP: Sustain. Water & Wastewater Management



EUR 49.6m

- Flood prevention
- Water protection



M. GBP: Climate Change Adaptation

EUR 11.9m



- Climate change adaption
- Climate protection
- Reforestation



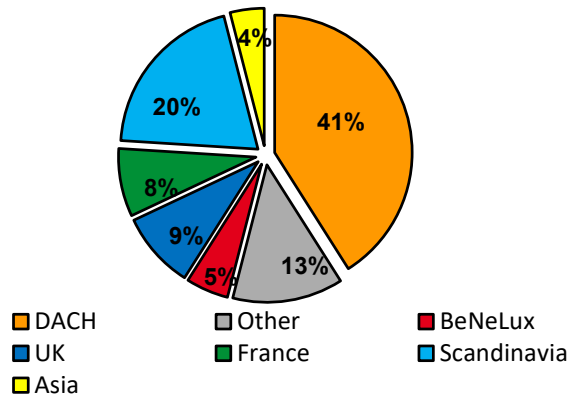
Recent Benchmark Issues

Sustainability Bond #11

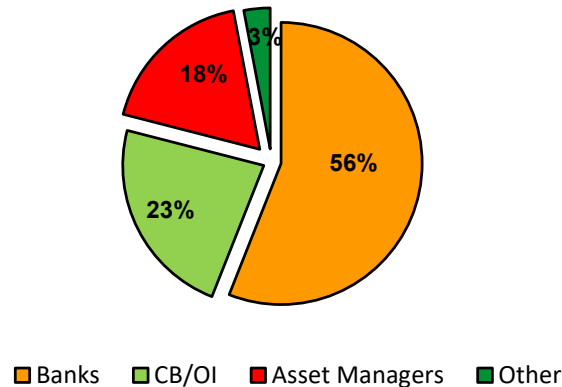


Issuer	State of North Rhine-Westphalia
Issuer Rating	Aa1 by Moody's (stable), AA by S&P (stable), AAA by FITCH (stable), AAA by Scope (stable)
ESG Rating	Advanced, 65/100 (Moody's ESG Solutions)
Issue Size	EUR 1.25bn
Status and Format	Collective Debt Register Claim, RegS, Senior Unsecured
Maturity Date	15 October 2029
Settlement Date	21 October 2024
Coupon	2.50% annually act/act ICMA
Reoffer Spread	MS +15bps
ISIN	DE000NRWOPR8
Joint Lead Managers	Danske Bank, DekaBank (B&D), Deutsche Bank, Rabobank und UniCredit

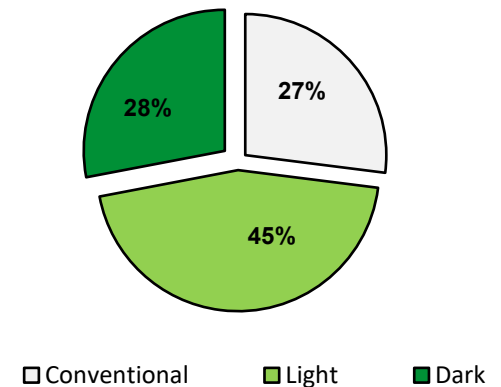
Geography



Investor Type



ESG Shading



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