NRW.BANK
Wir fördern Ideen

SDG Mapping Methodology Paper

NRW.BANK's SDG mapping comprises the allocation of the Bank's promotional business to the UN Sustainable Development Goals. The SDG mapping looks at the volume of new commitments at the level of the promotional programmes.

It visualises the contribution made by NRW.BANK's promotional business to the 17 environmental, social and economic Sustainable Development Goals of the United Nations and is thus consistent with NRW.BANK's understanding of sustainability, which is presented in the Sustainability Strategy. The mapping thus enables transparency regarding the sustainable impact of NRW.BANK's funding for the citizens of North Rhine-Westphalia and all of the Bank's stakeholders.



I. The SDGs and Their Significance for NRW.BANK

The United Nations Sustainable Development Goals (SDGs) came into force on January 1, 2016, and are part of the UN 2030 Agenda "Transforming our world: the 2030 Agenda for Sustainable Development". The 17 comprehensive and interlinked goals are complemented and operationalised by 169 targets. They primarily address the international community but are also of special relevance for the regional and local levels. As a result, many nations but also regions and municipalities have developed sustainability strategies based on the SDGs. The North Rhine-Westphalian government, as the owner of NRW.BANK, has also built its sustainability strategy for 2030 on the SDGs. The state government has updated its sustainability strategy in 2026.

The Sustainable Development Goals cover all three dimensions of sustainability – environmental, social and economic. They are thus consistent with NRW.BANK's understanding of sustainability, which is outlined in the Bank's Sustainability Strategy. For NRW.BANK, sustainability comprises the four dimensions of economy, environment, social affairs and corporate governance. NRW.BANK understands these dimensions of sustainability as being inextricably linked. Sustainability aspects are taken into account both in day-to-day banking operations and in the relationships with customers.

NRW.BANK's SDG mapping creates transparency regarding the contribution made by NRW.BANK's promotional business to the Sustainability Goals defined by the UN. It thus also shows how the Bank fulfils both its public mission and the sustainability interests of its stakeholders.

II. SDG Mapping Development Procedure

Points of reference: When allocating NRW.BANK's promotional business to the SDGs, three particularly relevant points of reference were used for orientation. First, the 169 targets of the SDGs formulated by the United Nations were considered. In addition, the approaches and methods used by relevant peer banks in similar mappings were considered in terms of an evaluation of the market standard and conclusions were drawn for their use within NRW.BANK. The third important point of reference was the compatibility with the sustainability strategy of the State of North Rhine-Westphalia, as the owner of NRW.BANK, and the allocation of measures to various SDGs contained therein.

All this showed that the SDGs leave room for interpretation and that there is currently no standardised procedure for recording (financial) contributions to the SDGs. To nevertheless create the desired transparency and show the focal points of its promotional business, NRW.BANK opted for a pragmatic and comprehensible approach. This approach – just like its general sustainability efforts – will be further developed by the Bank to the extent possible.

Allocation procedure: The volume of new commitments in the promotional business is allocated at the level of the promotional programmes and, in the case of selected particularly broad-based programmes[1], where a more precise differentiation of individual investments by use of funds is possible, also on the basis of available indicators of use of funds. Due to the lack of data on the detailed use of funds for individual promotional investments, a complete classification at the level of individual promotional investments has not been made. In the future, NRW.BANK will strive for such a concrete allocation, once the data situation has improved, in order to enable more detailed evaluations of the SDG impact of the promotional business.

The allocation was made by comparing the content of the intended promotional objectives and use of funds of individual promotional programmes with the previously mentioned points of reference, i.e. it was determined whether a financial contribution is intended to generate a positive SDG impact, based on the thematic focus of the promotional programme's eligibility criteria. For promotional programmes of KfW, which are offered by NRW.BANK in the form of on-lending, the allocation made available by KfW from its own mapping was adopted. Due to methodological differences, no direct allocation can be adopted for the on-lending Landwirtschaftliche Rentenbank.

When a promotional programme is newly introduced, it is initially mapped to one or more SDGs. The mapping is reviewed if the intended use of funds of the programme changes or the methodology is adjusted.

Quantitative allocation: Due to the complexity of the topic of sustainability, individual promotional programmes, or where possible, uses of funds within individual programmes, intend a positive

1 NRW.BANK.Universalkredit, NRW.BANK.Effizienzkredit Bauen, NRW.BANK.Infrastruktur, NRW.BANK.Kommunal as well as NRW.BANK.Invest Zukunft

contribution to several SDGs. The volume of new commitments of the respective programme is thus distributed equally as a positive contribution to the relevant SDGs. Funds made available under the NRW.BANK.Gebäudesanierung programme, for instance, make equal positive contributions to SDGs 7 (Affordable and clean energy), 11 (Sustainable cities and communities) and 13 (Climate action). In this way, multiple allocations of promotional volumes are avoided.

Due to the available data, it is not yet possible to identify potentially conflicting goals or negative impacts of individual promotional programmes on other SDGs. For instance, when funding the development of building land, besides the positive effect on the creation of housing (SDG 11), a negative impact due to soil sealing (SDG 13) cannot be entirely ruled out. For these reasons, the SDG-Mapping is not relevant for corporate steering at NRW.BANK. As NRW.BANK continues to develop its steering system, however, the SDG mapping will also be considered.

The SDG mapping is updated and detailed annually. To improve the measurability and transparency of the impact of NRW.BANK's promotional business, an impact management has been developed.