

Combined Separate Non-Financial Report 2023

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1. Introduction

1.1 Foreword by the Board of Managing Directors

Ladies and Gentlemen,

IKB's 2023 financial year was characterised by a stable lending business and a high level of risk discipline. Uncertainty on the capital markets and economic weakness remained high, but the Bank remained on track in this challenging economic environment. This was reflected in the Group's satisfactory consolidated net income of €63 million and risk provisions appropriate to the environment of €-34 million, with a low NPL ratio of 2.0%. The Bank is on the right track structurally to continuously reduce its administrative expenses. At a CET 1 ratio (fully phased) of 16.8%, IKB is appropriately capitalised.

Despite a difficult macroeconomic environment, our new business with mid-cap corporate clients remained at the previous year's level at €2.7 billion. With selective lending and a focus on good credit ratings, 85% of our new business was with investment-grade customers. As one of the market leaders in KfW-relevant energy-efficiency and environmental programmes, we made greater use of our comprehensive advisory expertise and expanded business in public programme loans. The loan book remained resilient in the 2023 financial year and shows that our business model focused on the German mid-cap sector is paying off.

However, IKB has not only achieved progress in its financial figures but also with the implementation of the ESG criteria in the Bank. The consequences of climate change and the large volumes of financing needed to realise national and international climate change mitigation goals have led to sustainability and ESG (environmental, social and governance) topics becoming a strategically important topic for IKB. For this reason, doing business sustainably is an integral component of IKB's corporate strategy. Business activities are assessed for ESG aspects and aligned accordingly. This is also evident from the fact that the whole Board of Managing Directors belongs to the ESG Steering Committee, which meets regularly and controls the decisions. IKB has also gradually implemented the topics of ESG and sustainability throughout all levels of the Bank.

In order to have clear guidelines for our business decisions, a Sustainable Finance Framework has been deployed at the Bank. As a result, we are able to provide a solid and transparent method for assessing sustainability in the lending process, both internally and externally, and to present IKB's product-specific positioning on the topic of sustainability. We have had the Bank's sustainable financing activities certified with a second party opinion from internationally renowned ESG rating agency ISS ESG. In addition, IKB has signed the United Nations Principles for Responsible Banking and is clearly committed to climate change mitigation and sustainable action.

Our goal is to become one of the relevant, sustainable providers of finance for mid-cap companies in Germany. With a broad range of sustainable product initiatives, IKB aims to make a significant contribution to the transition to a green economy through its lending and investment activities. These include syndicated ESG loans, project financing, ESG loans with longer terms and ESG advisory services. In the 2023 financial year, IKB financed sustainable new business in accordance with IKB's Sustainable Finance Framework amounting to €0.9 billion and mobilised around €1.7 billion. The mobilised volume refers to the volume arranged for our customers, only some of which is in our own loan book.

IKB has set itself the target of continuously reducing its operational emissions. Based on the recognised VfU indicator system, operational greenhouse gas emissions were reduced by around 59% in the period from 2019 to 2022. For an external and objective assessment of the Bank's ESG engagement, IKB was assessed by a sustainability rating agency. In the reporting year, the results of the assessment were used as a basis for identifying the actions needed and taking appropriate measures. IKB is endeavouring to improve its ESG rating.

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We actively embrace our social responsibility, concentrating on initiatives that support people in difficult life circumstances and help them manage their daily challenges. This includes initiatives in the areas of education, social injustices and human rights. In significant current events, such as the Ahr floods or the Ukraine war, the Bank helps locally with donations. At the end of 2023, we provided financial support to federal state capital of Düsseldorf for the purpose of climate adaptation. The city is using the donation for trees and bushes to create a new 2.5-hectare forest in the surrounding region.

In our non-financial reporting for the 2023 financial year, we have followed the Global Reporting Initiative Standards for the first time in order to make it easier to measure ESG progress in the Bank. In the current 2024 financial year, reporting in accordance with the Corporate Sustainability Reporting Directive is becoming an increasing focus. In accordance with the requirements of this directive, we already carried out the double materiality analysis at the start of 2023, and it will be completed in 2024.

IKB will be celebrating its 100th anniversary on 30 September 2024. Over the course of the anniversary year, we have planned a series of events and programmes under the slogan of “GEMEINSAM GUTES UNTERNEHMEN” (“doing good business together”). Above all, the 100 years of IKB stand for 100 years of successfully financing mid-cap companies. And we want to continue this successful partnership with our customers. With our many years of expertise, we are supporting their green transformation and helping shape tomorrow together.

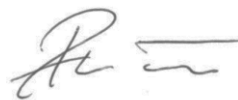
Düsseldorf, April 2024

IKB Deutsche Industriebank AG

The Board of Managing Directors



Dr Michael H. Wiedmann



Dr Patrick Trutwein



Steffen Zeise

1.2 Objective of the report

IKB is implementing the topic of ESG (environmental, social and governance) and sustainability step by step at all levels of the Bank and has entrenched the ambition in its business strategy that it wants to be one of the relevant sustainable providers of finance for SMEs in Germany. In order to present the topic of ESG holistically, IKB has created organisational structures to advance the strategic, regulatory and product-driven agenda. The non-financial report contains the non-financial statement pursuant to Section 340i (5) of the German Commercial Code (HGB) and reports on the material impact of IKB's business activities on non-financial aspects (environmental concerns, employee concerns, social concerns, upholding human rights and combating corruption and bribery). The topics of "ESG in the portfolio", "Our social responsibility", "Operational ecology" and "Responsible corporate governance" were identified as material in a structured analysis process. IKB is applying the Reporting Standards of the Global Reporting Initiative (GRI) as a framework for guidance for the preparation of its non-financial statement for the first time in 2023 and will identify the fields of action resulting from this. IKB also provides information on the sustainable orientation of its financing within the framework of the EU Taxonomy Regulation in accordance with Article 8 of Regulation (EU) 2020/852 and additionally Delegated Regulation (EU) 2021/2178. The disclosures in accordance with the EU Taxonomy Regulation and the methods of data collection are presented in this Non-Financial Report.

1.3 Standards and guidelines applied

IKB achieves transparent and thorough management and reporting on the implementation of its sustainability strategies. Therefore, this report will for the first time be aligned on the GRI Sustainability Reporting Standards and the Financial Services Sector Supplement. The basis of GRI reporting is standardisation and comparability of key figures and indicators on economic, environmental and social aspects of activities, products and services.

The scope of consolidation applied by IKB in this Non-Financial Report for 2023 corresponds to that of the current 2023 Annual Report. Therefore, all statements refer to the whole group unless otherwise specified. The figures published relate unless stated otherwise to the reporting period from 1 January 2023 to 31 December 2023. IKB's Non-Financial Report was published on 30 April 2024. The report is published annually. Investor Relations and Corporate Communications have conceptual and editorial responsibility. No restatement of information was necessary. The 2023 Non-Financial Report it is not subject to an external audit. The 2023 Non-Financial Report was approved by the Board of Managing Directors; and after an audit by the Supervisory Board no reservations relating to IKB Deutsche Industriebank AG's combined separate Non-Financial Report for the 2023 financial year were identified. [GRI 2-2] [GRI 2-3] [GRI 2-4] [GRI 2-5] [GRI 2-14]

Diversity, equal opportunities and inclusion are important to IKB. The Bank therefore largely uses gender-neutral language in this report. For ease of reading and comprehensibility or for reasons of alignment with legal requirements (for example through the use of established terms such as "chairman"), IKB makes use of the generic masculine in some places. Such terms apply to all genders without restriction within the meaning of equal treatment.

2. Profile of the organisation

2.1 Presentation of the organisation

IKB Deutsche Industriebank AG is a credit institution with its registered office in Düsseldorf and branches in Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart. It is operated in the legal form of a stock corporation (*Aktiengesellschaft*). The business model of IKB Deutsche Industriebank AG (IKB is used as a synonym for the Group and IKB AG for the individual company) is focused on the German upper midmarket. [GRI 2-1]

2.2 Products, markets and customers

IKB focuses on the German upper midmarket. This mainly implies companies with annual revenues of more than €100 million. These include IKB's preferred target groups due to their strong equity and liquidity base and the associated low default rates. The Bank is characterised by long-standing and stable customer relationships and a pronounced understanding of the concerns of mid-cap companies. As it has the structures of a small to medium-sized enterprise itself, IKB is familiar with its customers' needs to a particular degree. Competence and mutual trust are fundamental values underpinning customer relations. The corporate values – “professional, committed and reliable” – are the values by which IKB measures itself. [GRI 2-6]

IKB has concentrated on its strengths, adopted a lean structure at an early stage and gradually reduced its costs in recent years, driven its digital transformation forward and clearly defined its business segments. The Public Programme Loans segment includes income and expenses from public programme loans granted to mid-cap customers as well as advisory services for obtaining and applying for public programme loans. The Corporate Bank segment comprises the services related to internally financed corporate banking business. In addition to financing and advisory services in traditional lending business, this also includes supporting customers in their capital market activities. The income and expense items from Funding & Asset Liability Management and the investment portfolio are reported in the Corporate Centre. [GRI 2-6]

Since it was founded in 1924, IKB has been a credit institution with close relationships to German companies and entrepreneurs, specialising primarily in long-term corporate and project finance. In the 2023 financial year, IKB employed an average of 566 employees (full-time equivalents) and, with six locations, has a sales network covering all regions of Germany. Its integrated business approach comprising regional sales, sector and product groups aims to ensure solution-oriented, high-quality support for customers. IKB's customer business focuses on advice on lending and structuring (including capital market products). The key factors here are a disciplined loan pricing policy and an appropriate risk-return profile. Each loan must be profitable in its own right. The Bank also arranges financing solutions for its customers outside its own balance sheet. This includes assisting companies in accessing capital markets, for example the issuance of promissory note loans or bonds. As a specialist, IKB offers its customers access to public loan programmes. Every corporate customer advisor has the knowledge needed to provide professional advice to companies in the upper mid-market concerning appropriate public programme loan solutions, supported by a highly specialised development loan product team. IKB's long-standing experience in public programme loans is also playing a central role in its ESG strategy. [GRI 2-6]

As of 31 December 2023, IKB had a market share of 8.9% in the KfW Group public loan programmes of relevance to it. IKB's competitors are large universal banks as well as a number of larger institutions from the public-sector banking sector. [GRI 2-6]

IKB considers making a meaningful contribution to the protection of the environment and society and to encouraging the transformation to a sustainable economy to be a core element of its corporate identity. It has firmly entrenched its aspirations in its business and risk strategy and is seeking to be one of the relevant, sustainable providers of finance for

mid-cap companies in Germany. In order to meet the objectives associated with ESG, the Bank takes an approach based on the three pillars of strategy, regulation and products, from which dedicated areas and individual measures have in turn been derived. The whole of the Board of Managing Directors participates in and is responsible for a specially convened ESG Steering Committee, which controls that the initiatives are implemented. [GRI 2-6]

As part of a joint venture with Hypoport SE, IKB acquired a 30% share of FUNDINGPORT GmbH and established its own IKB sales platform called IKB Finanzierungsmarktplatz. Since 1 January 2022, this platform has been arranging finance projects mostly between customers with annual revenues of between €10 million and €100 million and banks via the FUNDINGPORT GmbH platform. [GRI 2-6]

IKB is subject to supervision by the German regulatory authorities, i.e. the German Federal Financial Supervisory Authority (BaFin) and the German Bundesbank. IKB is currently not classified as a systemically important institution. [GRI 2-6]

Regulation gives rise to a framework that can also influence the business model. One burden arises from the constantly changing conditions for integrated performance and risk management that have evolved and will continue to do so as a result of the various regulatory requirements and interpretations. These regulatory requirements now touch upon almost all areas and processes and are woven into the entire organisational and operational structure. For this reason, a high level of cost discipline, particularly also in the implementation of regulatory requirements, close management of risk-weighted assets and anticipation of possible future regulatory requirements remain highly relevant for the business model. In addition, IT security together with the need to establish an IT architecture that efficiently ensures flexible and timely reporting is growing in importance. In addition, IKB is investing in the further development of IT and has initiated a corresponding project portfolio for the coming years. In addition to implementing regulatory requirements, this also serves the purpose of steadily modernising the core banking systems for the digitalisation of business processes and further strategic developments. IKB intends to publish the non-financial Group statement for the 2023 financial year pursuant to Section 340i (5) of the German Commercial Code (HGB) in conjunction with Section 315b of the HGB, which is combined with the parent company's non-financial statement pursuant to Section 340a (1a) of the HGB in conjunction with Section 289 of the HGB, on its website at <https://www.ikb.de/en/investor-relations/reports-and-presentations> as a combined separate non-financial report by the end of April 2024. [GRI 2-6]

2.3 Organisation structure

IKB AG has a dual board system in which the members of the Board of Managing Directors manage IKB AG and the Supervisory Board advises and oversees the Board of Managing Directors.

Board of Managing Directors

The Board of Managing Directors consists of three members. A chairman of the Board of Managing Directors is appointed from among them. The individual members of the Board of Managing Directors are allocated specific business areas by the business allocation plan. They are authorised to manage the business in these areas, and the Chairman is kept informed of all material matters by the other members of the Board of Managing Directors. The Board of Managing Directors as a whole decides on matters that are of particular importance and consequence for the organisation. [GRI 2-9]

The members of the Board of Managing Directors must have the expertise required for the scale and complexity of the activities of IKB and its subsidiaries. The knowledge of the members of the Board of Managing Directors must be balanced. They must have the skills and experience necessary for work as a member of IKB's Board of Managing Directors, taking account of the regulatory requirements. The Supervisory Board appoints and dismisses the members of the Board of Managing Directors, appoints the Chairman of the Board of Managing Directors and, together with the Board of Managing Directors, ensures that there is long-term succession planning. Diversity is important in the composition

of the Board of Managing Directors, and the Supervisory Board endeavours to ensure, in particular, that appropriate consideration is given to women. The Nomination Committee supports the Supervisory Board with the identification of candidates for appointment to the Board of Managing Directors. When deciding on the appointment, the Nomination Committee should, as far as possible, prepare a shortlist with a selection of suitable candidates that takes account of the principles of suitability and the objectives and requirements of the diversity policy. This shortlist should be submitted to the Supervisory Board. [GRI 2-10]

Supervisory Board

The Supervisory Board supervises management by the Board of Managing Directors and advises it on the management of the organisation. It is involved in all decisions of fundamental importance to the organisation. These include decisions or measures that fundamentally change the organisation's financial position, cash flows, financial performance or risk situation. [GRI 2-9]

The Supervisory Board consists of nine members, who need to possess the expertise necessary to perform the control function and to assess and monitor the business. [GRI 2-9]

To perform its functions efficiently, the Supervisory Board has set up a Supervisory Board Executive Committee, the Risk and Audit Committee, the Remuneration Control Committee and the Nomination Committee. The members of the committees must have the necessary knowledge, abilities and experience to fulfil the respective committee tasks. Further information on the committees is available on IKB's website (<https://www.ikb.de/en/about-us/corporation/boards>). [GRI 2-9]

The members of the Supervisory Board are elected for a period of three years by IKB AG's general meeting. Re-election is permitted. The Supervisory Board proposes the candidates to be elected at the general meeting. In addition, IKB AG's shareholders also have the right to propose candidates to the general meeting for election as shareholder representatives on IKB AG's Supervisory Board. Furthermore, when making nominations for shareholder representatives, the Supervisory Board takes care to include a wide range of candidates with different qualities and expertise in order to contribute to the diversity of opinion, greater impartiality and balanced decision-making. Women must be given appropriate consideration here. In accordance with the German One-Third Participation Act (DrittelbG), the Supervisory Board also includes three employee representatives, who are elected by the employees. This results in the Supervisory Board comprising members who, for instance, work or worked in the senior management of mid-sized companies, as members of boards of managing directors of listed companies or credit institutions, in management positions in the fields of law, corporate strategy or the lending business at credit institutions, in a responsible position in a credit institution's lending business or as a lawyer in an international law firm in the field of business law and as employees of IKB AG. Further information about the selection processes is available in the current [2023 Disclosure Report](#). Because IKB AG has a dual board system, none of the members of the Supervisory Board, including the Chairman, is a member of the Board of Managing Directors. [GRI 2-10] [GRI 2-11]

The Board of Managing Directors has overall responsibility for all sustainability topics. Sustainability and thus environmental, social and governance (ESG) aspects are an integral part of IKB's governance and strategy. Therefore, IKB sets a strategic, regulatory and product-driven agenda in its ESG strategy. Developments in these areas are overseen by an ESG steering committee which reports to the Board of Managing Directors as a whole. The Board of Managing Directors informs the Supervisory Board regularly, without delay and comprehensively about all material issues relevant to the business and risk strategy. IKB's business strategy is geared towards sustainability. Consequently, a considerate and conservation-oriented approach to the environment is of great importance, as is responsible, legally compliant and future-oriented behaviour by IKB, its managers and employees, and confidence by customers and business partners that they will behave this way. This is also reflected by IKB's programme of values, under which social awareness is optimally strengthened on the basis of the values "professional, committed and reliable", including with a view to

sustainability. A sustainable business strategy that takes account of the current economic, social, societal and environmental challenges is therefore an integral part of IKB's business model. Important progress and considerations in connection with ESG are discussed at the meetings of the Supervisory Board Executive Committee and the Supervisory Board. [GRI 2-12]

The Supervisory Board, with the support of the Nomination Committee, regularly – at least once a year – assesses the knowledge, skills and experience of the Board of Managing Directors and the Supervisory Board as a whole and individually, and collectively for each member of the Board of Managing Directors and of the Supervisory Board. When assessing the Board of Managing Directors and the Supervisory Board, legal and other requirements are taken into account, particularly the German Federal Financial Supervisory Authority's guidance notices (BaFin – Guidance Notice on the Members of Management or Supervisory Boards in Accordance with the German Banking Act (KWG) and German Investment Code (KAGB) and Guidance Notice on the Managing Directors in Accordance with the KWG, the German Payment Services Supervision Act (ZAG) and the KAGB, both dated 29 December 2020). [GRI 2-18]

For individual suitability, an assessment is made in particular of the trustworthiness (including conflicts of interest), of professional aptitude/necessary expertise of the respective member of the Board of Managing Directors based on Annex III of the BaFin Guidance Notice on the Members of Management or Supervisory Boards in Accordance with KWG and of the amount of time the members of the Board of Managing Directors have available. The Supervisory Board conducts the collective and individual suitability assessment of the Board of Managing Directors and the Supervisory Board. It is conducted by means of a survey of the members of the Board of Managing Directors and the Supervisory Board. The Nomination Committee gives the Supervisory Board recommendations on the assessment of the structure, size, composition and performance of the Board of Managing Directors and the Supervisory Board. When making this assessment, it also ensures that decision-making within the Board of Managing Directors and the Supervisory Board is not influenced by individuals or groups in any way that is detrimental to the Group. The assessment is documented by presentations to the Supervisory Board. The suitability assessment is also conducted if there are significant changes to the composition of the Board of Managing Directors and the Supervisory Board. To help them fulfil their tasks and maintain the necessary expertise, members of the Board of Managing Directors and the Supervisory Board are offered training. [GRI 2-18]

IKB discloses its remuneration policy in the annual Disclosure Report. The processes for the Board of Managing Directors, the Supervisory Board and managers are described below.

Board of Managing Directors: Based on the proposal by the Remuneration Control Committee, the Supervisory Board determines the total remuneration of the individual members of the Board of Managing Directors – consisting of both fixed and variable components – decides on the remuneration system and reviews it regularly. Taking account of the corporate culture, the remuneration system is designed to achieve IKB's aims, which are laid down in its business and risk strategies. The variable remuneration depends on the achievement of targets that the Supervisory Board sets out at the start of the financial year. The targets are aligned with IKB's strategies and support the achievement of the strategic aims.

Supervisory Board: The decision-making process regarding the Supervisory Board's remuneration is fundamentally based on section 113 (1) of the German Stock Corporation Act (AktG). In IKB's case, the remuneration is set out in the Articles of Association. The general meeting is the main body responsible for remuneration oversight with regard to the Supervisory Board's remuneration. More detailed information on the remuneration of the Board of Managing Directors and the Supervisory Board can be found in the Disclosure Report in the "Remuneration of the Board of Managing Directors and Supervisory Board" section of the "Remuneration Policy" chapter. [GRI 2-19]

Managers (1st and 2nd levels of management): IKB's Disclosure Report, which is published annually, explains IKB's remuneration policy. The remuneration system and the total amounts of all remuneration components are disclosed transparently. For employees, the processes, requirements and regulatory framework conditions are set out in works agreements and can be viewed at any time. Employees can find the fundamental remuneration components and rules in the organisational instructions on remuneration systems. The IKB remuneration strategy sets out that remuneration components are designed to be gender neutral. Aligning employee targets with IKB's business and risk strategy ensures that employees' individual targets support the implementation of the Bank's strategic targets. Targets for division and staff managers and team leaders must include economic targets such as cost management and should take into account ESG requirements, the management culture, the values culture, strategic staff development planning and succession planning. [GRI 2-19]

In accordance with the regulatory requirements of the German Remuneration Ordinance for Institutions, the Board of Managing Directors determines the design of IKB's remuneration systems. The components of the remuneration systems are listed in internal regulations such as works agreements and organisational instructions and are checked annually to ensure that they are up to date. The Board of Managing Directors communicates any adjustments of the remuneration systems to the Supervisory Board. This takes place in the Remuneration Control Committee in Supervisory Board meetings. The Remuneration Control Committee addresses the Bank's remuneration systems, especially the remuneration system for the Board of Managing Directors. IKB makes the design of the remuneration systems and the total amounts of all remuneration components transparent with the annual Disclosure Report. [GRI 2-20] [GRI 2-21]

2.4 Stakeholder communication

IKB's sustainability communication focuses on regular active and continuous stakeholder engagement. The key stakeholder groups for the Bank are its customers, creditors, owners and employees and supervisory authorities, the public, rating agencies and media representatives. The Bank has a stable base of institutional and retail bond investors and is in regular communication with them in individual conversations and telephone conferences for institutional investors. The Bank is in regular contact with institutional investors in one-on-one meetings and telephone conferences. IKB, whose shares are wholly owned by LSF6 Europe Financial Holdings L.P., is in close dialog with the shareholder representatives on sustainability issues. IKB also maintains active and continuous sustainability dialogue with its employees on the development status of sustainability issues in the Bank through the intranet, employee calls and regular video calls. IKB is in constant contact with the national supervisory authorities, particularly BaFin and the German Bundesbank. Beyond its core business, IKB also makes a contribution to society and has a particular focus on the local area surrounding its regional branches. IKB is in intensive communication both with rating agencies that primarily look at the Bank's credit rating and with rating agencies that provide sustainability ratings. The dialogue with rating agencies Moody's and Fitch and with sustainability rating agency ISS ESG plays a key role here. Corporate Communications is responsible for the Bank's external communication with the media and the public and has an extensive network of journalist contacts. IKB is a member of the Association of German Banks (BdB). [GRI 2-29] [FS5]

3. Sustainability strategy and management

The consequences of climate change and the high financing requirements needed to realise national and international climate change mitigation goals have led to sustainability and ESG (environmental, social and governance) topics becoming firmly established in the finance and banking sector.

This is reinforced by regulatory requirements and the political framework conditions in Germany and the EU. In order to move the European Union towards climate neutrality and promote sustainability, the EU has adopted the EU Action

Plan and the European Green Deal. The climate change mitigation legislation in Germany largely comprises the German Federal Climate Change Act (KSG). The German Federal Climate Change Act requires greenhouse gases to be reduced in Germany by at least 65% by 2030 compared with the level of 1990 and requires full climate neutrality to be achieved by 2045.

Banks have a key role in the economy's transition towards sustainability, as they direct capital into sustainable uses. Legislation and sustainability trends mean companies are feeling increasing pressure to transform and make their value chains more sustainable – this is also an opportunity for IKB, as IKB finances projects by the upper midmarket to achieve sustainability goals.

3.1 Sustainability strategy

IKB's business model is aligned towards generating sustainably positive earnings. In this way, the Bank creates value for its stakeholders, particularly its customers, investors and employees and their families. IKB has the trust of its customers and business partners and the public in particular because IKB is solution- and results-driven and because all IKB's employees conduct themselves responsibly and in compliance with regulations. This trust is of great importance for the Bank's reputation. [GRI 2-24]

IKB considers making a meaningful contribution to the protection of the environment and society and to encouraging the transformation to a sustainable economy to be a core element of its corporate identity. For this reason, doing business sustainably is an important component of the corporate strategy. Business activities are regularly assessed for ESG aspects and gradually aligned accordingly. Both at company level and in the lending business, the Bank therefore implements targeted measures to achieve its sustainability objectives. IKB pursues the goal of continuously expanding its range of sustainable products and services and thus of playing an active role in the green transformation. [GRI 2-24]

IKB is guided here by international agreements and policies, such as the Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO) and the UN Global Compact.

IKB provides information about its activities in the area of sustainability via various communication channels, including internally via the intranet and externally via its website or the Bank's ESG podcast. In addition, experts are trained in sustainable finance, and needs-based basic training courses are offered on a wide range of ESG-related topics. [GRI 2-24]

IKB's sustainability goals go beyond ensuring the successful and efficient implementation of regulatory requirements in the ESG context. For IKB, a holistic sustainability strategy includes reorganising IKB's own banking business into a responsible, sustainable and resource-conserving business. It is therefore aiming to further reduce its operational CO₂ emissions and comply with the requirements of the UN Principles for Responsible Banking (UN PRB), which it signed in 2022. IKB sees the expansion of the sustainable lending business's financing volume as an objective in the context of ESG. [GRI 2-22]

Sustainability is already embedded in IKB's product range. For example, IKB developed a Green Loan Framework at the beginning of 2022, thus initially positioning itself in the area of sustainable finance and offering its customers transparency with respect to IKB's own valuation benchmarks and its understanding of sustainability. IKB wants to support its customers with the transition to a more environmentally and/or socially sustainable future with its range of sustainable financing products. To strengthen this plan, the existing Green Loan Framework was expanded with the Sustainable Finance Framework to include internally financed loans to companies and thus created a holistic view of IKB's sustainable product positioning. The framework is also used to validate the ESG product governance. The objective is to provide a solid and transparent method for assessing sustainability in the lending process and to represent IKB's product-specific positioning in the field of sustainability. IKB's Sustainable Finance Framework was externally certified by a second party opinion from ISS Corporate Solutions in 2023. [GRI 2-22]

IKB has set itself the goal of mobilising around €3 to 4 billion by the end of 2025 with the aid of sustainable financing within the meaning of IKB's Sustainable Finance Framework. In 2023, "sustainable" new business as defined by IKB's Sustainable Finance Framework totalling around €0.9 billion was financed and a total of around €1.7 billion was mobilised. The mobilised volume refers to the volume we arrange for our customers, only some of which is in our own loan book. [GRI 2-22]

3.2 Sustainability management

The further development of ESG culture within IKB is promoted by, for example, systematised knowledge transfer. Due to the interdisciplinary nature of ESG, large parts of IKB are affected by the topic. IKB therefore engages in a strategic, regulatory and product-driven agenda in its ESG strategy. The development of these three areas is controlled by an ESG steering committee with the involvement of the entire Board of Managing Directors (see section 2.2). [GRI 2-13].

As part of the ESG strategy, measures are specifically being developed to support customers in their efforts to act more sustainably and also to make IKB's own banking business more sustainable. [GRI 2-13]

IKB is aware of the environmental impact of its business activities and has therefore set itself the objective of playing an active role and expanding its range of sustainable products and services. Sustainable ESG products are implemented in the product initiatives area. [GRI 2-13]

The risk and regulations area ensures that regulatory requirements are implemented. This ensures the management of ESG risks and opportunities within IKB. This includes the continuous monitoring and assessment of new regulatory requirements and the fulfilment of the regulatory requirements that arise from the various regulations. [GRI 2-13]

The increased importance of sustainability and ESG aspects for banks and IKB's strategic aim of becoming one of the major and sustainable providers of finance for SMEs in Germany mean intensive and professional management of the associated risks is required. [GRI 2-25]

IKB does not classify ESG risks as a separate risk type but as risk drivers that impact the Bank's established risk types. This classification is in line with the supervisory authority's view and the requirements of MaRisk, the German minimum requirements for risk management. [GRI 2-25]

In a risk driver analysis, the Bank analysed in detail the extent to which various risk drivers from the environmental, social and governance dimensions (may) impact the risk types identified as material in the risk inventory (counterparty default risks, market price risks, liquidity risks and operational risks). Its business model means that IKB is primarily affected by sustainability risks in the lending business. This is primarily a matter of being indirectly affected both by physical and by transitory risk drivers through the Bank's customers. Physical risks may result from isolated extreme weather events and their consequences and from long-term changes in climate and ecological conditions. Transitory risks result from the pivotal transition to a low-carbon economy. For example, climate events such as low water levels or long periods of drought, rethinking at a political or regulatory level due to climate change, disruptive technologies and business models or changed preferences in markets and in society as a whole could lead to a deterioration in production and sales conditions. This could have an adverse effect on the net assets and results of operations of IKB's customers, and ultimately on their ability to service debt. Similar effects may also arise due to risk drivers from the social and governance categories. If borrowers do not succeed, for example, in adapting to the change in conditions in the labour market (skills shortage), the demographic change, digitalisation or requirements for (sustainability) reporting, then effects on the borrower's financial situation are possible. [GRI 2-25]

To prevent any negative consequences for the environment and society from the Bank's business activities and to prevent or reduce the risks that may arise as a result, approaches for identifying (ESG risk driver analysis), evaluating (quantitative and qualitative materiality assessment, stress tests), managing (sustainability-related KPIs are being developed) and reporting (integration of sustainability risks in the existing risk reports) have been developed as part of a

Bank-wide project. As part of the individual lending decisions, relevant sustainability information is obtained using of a sustainability checklist and ESG aspects are systematically taken into account. The introduction of an ESG scoring system and consideration of ESG in the pricing of loans is currently in the pipeline. [GRI 2-25]

IKB Deutsche Industriebank AG's Code of Conduct sets out the values and principles of conduct for business activities. It includes the fundamental requirements for the conduct of each individual. The foundation of the Code of Conduct is a strong culture of compliance, reflecting great commitment to ethical conduct. The Bank expects all employees to strictly adhere to the applicable regulations in order to maintain its stakeholders' trust. All employees must comply with this Code of Conduct and base their conduct on the above standards. If there are indications of breaches of legal requirements (including tax requirements), regulatory requirements, the internal business-strategy and risk-strategy requirements, the written rules or this Code of Conduct, employees always have the option of talking to their line manager. If the employee thinks this is inappropriate or will not be sufficient, they can submit a report via the whistleblowing system located in the "central office". Whistleblowers enjoy special protection. At their request, the Bank will treat their identity as confidential in accordance with the legal requirements. It is also possible to report breaches anonymously. [GRI 2-26]

The compliance function is the point of contact for all questions regarding the Code of Conduct. The compliance officer also reports to the Supervisory Board. The chairs of the Supervisory Board and the Risk and Audit Committee are also each entitled to obtain information from the compliance officer directly. [GRI 2-16]

Between meetings, the Chairman of the Supervisory Board maintains regular contact with the Board of Managing Directors – in particular, the Chairman of the Board of Managing Directors – and confers with them on IKB's strategy, planning, business development, the risk situation, risk management and compliance. The Chairman of the Supervisory Board informs the Supervisory Board about reports by the Chairman of the Board of Managing Directors if these concern important events that are of major importance for assessing the situation or development of the IKB Group or its management. When necessary, the Chairman of the Supervisory Board will convene an extraordinary meeting of the Supervisory Board. In particular, the Board of Managing Directors also has ad hoc obligations towards the Supervisory Board regarding information that is material from a risk perspective. [GRI 2-16]

3.3 Memberships

In order to underline its responsibility for the environment and society and to enter into cooperation with other stakeholders, IKB has affiliated itself with a number of global and national sustainability objectives and regulations. [GRI 2-28]

For example, IKB is a member of the United Nations Environmental Programme Finance Initiative (UNEP FI). Membership is conditional on signature of the UNEP Statement of Commitment by Financial Institutions on Sustainable Development. Through this, financial institutions acknowledge their role in the sustainable organisation of the economy and lifestyles. In addition, they commit to integrating environmental and social aspects into their business. Building on its membership of the UNEP FI, IKB committed to the United Nations Principles for Responsible Banking (UN PRB) in December 2022. The United Nations Principles for Responsible Banking provide signatory financial services providers with a framework for aligning banking strategies and business practices with the vision of a society in line with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement (2015). As a signatory to the UN PRB and with the associated membership of UNEP FI, IKB is clearly committed to climate change mitigation and sustainable action. [GRI 2-23] [GRI 2-28]

IKB's commitment to sustainability is, for example, underlined by its membership of the Association for Environmental Management and Sustainability in Financial Institutions (*Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.* – VfU). Founded in 1995, the VfU is a network of sustainable finance professionals from more than 60

different financial institutions. They share best practices in the field of sustainable finance and are constantly intensifying cooperation in this area. The VfU is one of the central industry networks for sustainable finance in German-speaking countries. [GRI 2-23] [GRI 2-28]

IKB is also a member of the German Wind Energy Association (*Bundesverband Windenergie e.V.* – BWE), one of the world's largest associations in the renewables sector, in order to support the expansion of wind energy at political level. The association advocates for the sustainable and efficient expansion of wind energy in Germany and the best possible use of wind power. [GRI 2-28]

In 2021, IKB also committed to and signed the German Diversity Charter, a corporate initiative to promote diversity in companies and institutions. The Diversity Charter stands for handling diversity in a way that involves all diversity dimensions equally: age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and belief, sexual orientation and social origin. At IKB, inclusion is not just restricted to specific dimensions of diversity but has the aim of facilitating full and equal participation in all areas and thus promoting diversity. The Bank is convinced that diverse teams and mixed management levels lead to better decisions in the long term. Different ideas and perspectives help drive innovations, manage risks and keep the business model running successfully over the long term. Signing the Diversity Charter is a commitment to diversity by IKB. [GRI 2-23] [GRI 2-28]

Moreover, IKB is a member of Initiative Women into Leadership e.V. (IWIL). This is a non-profit organisation that was founded by companies and leading individuals from science, culture, society, medicine and business who set the objective of facilitating the long-term promotion of women at the top. [GRI 2-28]

In addition, IKB is a member of associations and institutions typical for the sector, without, however, having a decisive influence. [GRI 2-28]

3.4. Materiality analysis procedure

The topics relevant to IKB have been identified on the basis of a materiality analysis based on the GRI Standards. Topics that have the most significant impact on the economy, the environment and people, including effects on human rights, are considered material topics. The material topics identified are assessed on the basis of the relevance of their actual or potential adverse effects. The three features of the scale, scope and irremediable character of the impact are considered when determining the severity. The implementation process at IKB is described below. [GRI 3-1]

In a first step, the aspects of the German CSR Directive Implementation Act (CSR-RUG) were used to determine IKB's material sustainability topics. These include environmental concerns, employee concerns, social concerns, respecting human rights and combating corruption and bribery – and topics within these that are material for understanding IKB's business development, performance and position and the impact of its activities. The Global Reporting Initiative (GRI) framework and its industry-specific consideration were then applied to discover overlaps and add further topics of the list. The requirements of society, customers and stakeholders with regard to sustainability were also taken into account. The requirements of current political and regulatory developments were also factored into the selection of topics. To this end, in preparation for the reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) that will follow in the next few years, an initial CSRD materiality analysis has already been conducted internally. The double materiality of the CSRD was taken into account in order to enable both an inside-out and outside-in perspective. The topics identified as material there were included on the topic list. [GRI 3-1]

The materiality of the topics identified in this way was assessed in workshops with IKB's experts and managers. The responsible representatives of the divisions/staff departments of Finance, Compliance, Governance and Legal, Human Resources and Service, Public Programme Loans/Sales Management & Pricing, Strategy/ESG and Organisation, Risk Controlling and Corporate Communications/Investor Relations were involved. In the materiality workshop, the relevance for the business strategy and the organisational structure and the actual and potential positive and negative

effects were analysed with those responsible for each topic identified. The focus was always on IKB's long-term objective of becoming one of the relevant and sustainable providers of finance for SMEs in Germany and making a contribution to fulfilling the Paris Climate Agreement. [GRI 3-1]

The material topics arising from this were discussed in continuous dialogue, with the involvement of diverse internal stakeholders and with a focus on the ESG reporting requirements. Furthermore, overlaps between the topics were addressed and analysed to determine whether data was already available and to what extent data would need to be created in subsequent years. The material topics were prioritised, clustered and grouped into overarching material topics. [GRI 3-1]

IKB was thus able to identify the following topics as material: ESG in the product portfolio (with a focus on the sustainability of lending standards and integration of ESG into the business segments), our social responsibility (encouragement and involvement of employees), operational ecology (climate strategy and corporate environmental management with a focus on the topics of energy, emissions and paper consumption), responsible governance (protection of customer data and prevention of criminal offences). The material topics are explored in greater detail in the following chapters. [GRI 3-2]

3.5. Milestones

Sustainability is one of the key cornerstones of IKB's business model in order to secure the Bank's future viability. Against this backdrop, IKB has anchored the issue of sustainability in its business and risk strategy and aligned the Bank's processes with the various ESG aspects. IKB has further strengthened its commitment to greater sustainability and made important progress in this area:

Reporting	Activities
First-time adoption of the GRI Standards	<ul style="list-style-type: none"> Improving the measurability of ESG progress
Commitment to the standards of the UN Principles of Responsible Banking	<ul style="list-style-type: none"> First-time reporting as part of membership
Preparation of Corporate Sustainability Reporting Directive	<ul style="list-style-type: none"> Early implementation of the initial double materiality analysis
EU Taxonomy Regulation	<ul style="list-style-type: none"> First-time disclosure of the Green Asset Ratio (GAR)
Key ESG topics	Activities
ESG in the product portfolio	<ul style="list-style-type: none"> IKB's financing solutions for customers for the transition to a sustainable economy and a more social society Fulfil sustainability criteria for lending in new business target of sustainability-oriented management of the loan portfolio Target by the end of 2025: mobilise €3 billion to €4 billion in sustainable new business volume in line with IKB's Sustainable Finance Framework 2023 sustainable new business in accordance with the IKB Sustainable Finance Framework in the amount of ~€0.9 billion financed and a total of around €1.7 billion mobilised. This corresponds to ~33% share of €2.7 billion new business 56% of the loan portfolio are promotional loans, 87% of which are KfW promotional programmes Calculation of GAR of 0.16% for turnover and 20% for CAPEX
Social responsibility	<ul style="list-style-type: none"> Internal & external training for the Executive Board and Supervisory Board on the topic of ESG Various certificate courses in sustainable finance and new "Management & Digitalisation" course introduced for employees Expansion of the training programme to include digital and hybrid formats: 3,897 participants in 378 qualification measured in the 2023 financial year Almost 40% share of women in the total workforce, share of female managers: 10% in 1st management level, 26.7% in 2nd management level; employees from 22 nations Anchoring ESG goals in individual targets for employees Appointment of an equal opportunities officer to ensure equal opportunities Various donation formats (e.g. employee leftover cent donation, one-off amounts, tree planting campaign to mark 100 years of IKB) for charitable purposes
Operational ecology	<ul style="list-style-type: none"> From 2019 to 2022 approx. -59% reduction in operational GHG emissions according to the VfU key figure system Reduction in rental space by around -40% in the years 2019 to 2021, 2022 by approx. 23% Reduction in energy consumption of electricity and district heating for buildings: conversion of the central external IT service providers to renewable energy sources in 2022, resulting in a significant reduction in GHG emissions Scope 1, 2 & 3 upstream emissions recorded to date; recording of scope 3 downstream (financed emissions) planned
Responsible corporate governance	<ul style="list-style-type: none"> Continuous improvement of external and internal control systems as well as measures for personal and customer-related data protection

Other topics	Activities
Alliances & memberships	<ul style="list-style-type: none"> ▪ Member of the United Nations Environment Programme, member of the ODI programme Cluster Decarbonisation of Industry, signatory of the Diversity Charter e.V.

4. ESG in the product portfolio

The Bank’s business model is sustainably and long-term oriented and focuses on financing the upper midmarket segment in Germany. The Bank makes a significant contribution to promoting the transition to a sustainable economy and a more socially responsible society here. IKB takes the responsibility connected with its role as a bank very seriously and endeavours to minimise ESG-related sustainability risks arising from financing.

4.1 Sustainability-related lending

For the purpose of sustainability-oriented management of the new lending business, IKB is currently developing sustainability criteria for lending. These represent a further development of existing sustainability-related requirements and criteria in lending. Preparations are currently underway for integration into the existing risk management. The planned sustainability-related lending standards are derived from the Bank’s sustainability-related business and risk strategy. In terms of business strategy, IKB is seeking to become one of the relevant sustainable providers of finance for SMEs in Germany. It is pursuing the aim of playing an active role in the green transformation, continuously expanding its range of sustainable products and services and adapting to the change in the market environment caused by the transformation. IKB aims to make a significant contribution to a transition to a green economy through a broad range of sustainable product initiatives and the focus of its lending activities. The Bank’s ambitious goal of mobilising a total of €3 to 4 billion in sustainable new business volume in accordance with the Bank’s Sustainable Finance Framework by the end of 2025 makes its contribution measurable. IKB’s long-standing experience in public programme loans and high market share, especially in KfW’s relevant public loan programmes, currently play an important role and will continue to do so in the future. In particular, public loan programmes for infrastructure financing with a focus on energy and resource efficiency, decarbonisation and resource-conservation measures are key here. IKB’s share in total KfW new business stood at 8.9% in the programmes relevant to IKB. In addition, IKB also finances investments from its own funds, particularly in energy infrastructures and green buildings. This financing particularly contributes to achieving SDG 7 “Affordable and clean energy” and SDG 13 “Climate action”. [GRI 203-1] [GRI 3-3 a, b] [FS1]

The sustainability-related lending standards cover both general environmental and social standards to be complied with in the lending business and – in relation to individual sectors – special standards.

The general environmental standards will make it clear that financing or participating in activities, transactions or projects in which the environment is exposed to substantial and permanent damage (e.g. destruction of rainforests, pollution of land, air or bodies of water) is not in line with the Bank’s corporate strategy. The general environmental standards will relate to both the management of environmental pollution directly caused by the Bank and the indirect impact on the bank primarily via its borrowers. Due to the Bank’s business model, the latter is the main gateway for physical and transitory environmental risks. In order to record and understand the effects of the Bank’s lending activities on the environment, the following environment-related information, for example, is already systematically collected on a case-by-case basis using a sustainability checklist and taken into account in the lending decision:

Indications that the customer or its supply chain (production plants, infrastructure, suppliers) has an increased probability of being affected by physical environmental risks such as extreme weather events, natural disasters or coastal erosion

The extent to which the customer is affected by transitory risks such as high dependence on CO₂ pricing due to high CO₂ emissions, high or rising energy consumption or consumption of other resources, high or rising waste disposal costs

Impact of the customer's activities on biodiversity and development stage with regard to the most comprehensive circular economy possible and the efficient use of resources [GRI 3-3 a, b]

IKB's basic principles include taking social aspects into account responsibly and respecting legal and cultural frameworks. For example, compliance with human and labour rights and the German General Equal Treatment Act are of great importance to the Bank. IKB is committed to respecting human rights and aims to contribute to their promotion and protection within the scope of its influence, for example in its dealings with employees and customers. The values and principles of conduct for all of IKB's business activities are set out in a Code of Conduct, which is published on the intranet and the internet. The high standards for the Bank's own social behaviour are also reflected in the expectations regarding corresponding conduct by customers and business partners. The relevant social information is also systematically obtained using the aforementioned sustainability checklist to make an assessment in the lending process. [FS2]

IKB does not knowingly finance projects if these could result in serious social damage. It also excludes products and borrowers that are unacceptable for moral reasons or that may damage IKB's reputation. These include:

Supporting/promoting criminal offences or morally unacceptable activities/business practices, such as drug or human trafficking, prostitution, money laundering, bribery, corruption or tax evasion

Business activities that violate human rights or fundamental labour standards, e.g. child labour

Transactions with companies whose registered office or business activities are in contentious territories (e.g. dictatorships, areas of civil war, highly corruption-prone countries) [GRI 3-3 a, b] [FS1]

This means that both positive and negative effects on the economy, the environment and people are qualitatively recorded and evident in relation to individual loans. IKB not only finances customers that are already sustainable but fundamentally also supports customers that are part way through or preparing for a credible and documented transformation process towards a more sustainable business model. In this way, the Bank contributes to redirecting capital flows to sustainable uses. [GRI 3-3 a, b] [FS1] [FS2]

In addition to the general environmental and social requirements, specific requirements have to be taken into account when lending to certain sectors. This applies to the energy; wood, pulp and paper; mining; agriculture and forestry; and fisheries and aquaculture sectors. With a few exceptions (see above products and borrowers that are unacceptable for moral reasons), the Bank does not exclude any brown sectors. Rather, it adopts a best-in-class approach and focuses on economically sound potential borrowers in a sector with a sustainable and future-oriented strategic alignment. [GRI 3-3 a, b] [GRI 3-3 d] [FS1]

The standards will be binding, increasing the Bank's positive contributions to the sustainable transformation and decreasing its negative contributions to it. The sustainability-related lending standards are published on the Bank's website. This makes it clear and transparent for the Bank's stakeholders which financing purposes the Bank is and is not generally available for. In addition, the continuous expansion of the range of products and services is making increasingly positive contributions to sustainable environmental and social development. The sustainability-related lending standards are not expected to have any negative impact. Fair access to financing options is ensured in particular because supposedly brown sectors are not completely excluded. [GRI 3-3 a, b] [FS1]

ESG and sustainability risks are to be systematically analysed, evaluated and documented in the loan approval form in the form of the sustainability checklist on a case-by-case basis as part of the risk analysis and the evaluation of the ability to service debt in the future. Special risks in this regard must be explicitly noted in the loan approval form and evaluated in relation to the subject matter of the decision. This includes the identification of risk drivers that may

significantly impact the future development of a (potential) borrower when new conditions that may impact the financial circumstances of the (potential) borrower arise as a result of changes in the environment/climate (e.g. climate change), market (e.g. consumer habits) or legislation (e.g. bans and taxation). The (potential) borrower's measures to avoid or reduce any sustainability risks are part of the analysis for the lending decision. The plan is to replace the current approach and the sustainability checklist with an ESG scoring process for key financing types and – after a period gathering experience – to further systematise the consideration of the ESG score in the lending decision and the drafting of contractual terms and conditions by introducing quantitative elements as well. If ESG-related covenants have been agreed with a borrower, the monitoring is carried out at least as part of the annual loan book decision or as part of the reporting obligations agreed with the customer. The measures arising from a breach of the agreements made are set out individually in the loan agreements. [FS2] [FS3]

IKB assumes social responsibility through responsible corporate governance that is put into operation in, for example, the sustainability-related lending standards and the Code of Conduct. Corresponding processes for monitoring lending standards with the involvement of both the front-office and back-office areas are currently being created and implemented. [GRI 3-3 c] [FS2]

4.2 Business segments and their ESG effect

IKB is implementing ESG and sustainability measures step by step at all levels of the Bank and has firmly entrenched its aspirations in its business strategy. Due to the interdisciplinary nature of ESG, large parts of IKB are affected by the topic – which is why IKB has created organisational structures to deal with ESG holistically: overall, IKB engages in a strategic, regulatory and product-driven agenda in its ESG strategy. [GRI 3-3 c]

With regard to the portfolio, IKB acknowledges its responsibility for combating climate change and, with its smart financing solutions, is making a relevant contribution to promoting the transition to a low-carbon economy and a more responsible society. The Bank sees environmental and social aspects as an element of responsible business activity and systematically includes them in its financing solutions, particularly for German and Western European companies. Only 2% of the loan portfolio is accounted for by regions outside of Germany and Western Europe. [FS1]

Advising corporate customers on the advantages of public programme loans for sustainable investments has long been an important part of IKB's core business. IKB is one of the key German banks in this area and has a high market share in particular in complex KfW loan programmes for the reduction of carbon dioxide emissions. Overall, 56% of the loan portfolio is accounted for by public programme loans, of which 87% by KfW public loan programmes. IKB's expertise in public programme loans thus makes an important contribution to the transformation of German mid-cap companies, and does so very broadly across all sectors. Industrial sectors account for 83% of the loan portfolio with the largest sector being energy (9%), followed by the mechanical engineering sector and the paper industry, each at 6%. [FS 1]

In the 2023 financial year, IKB generated new business of €2.7 billion. IKB's new business is classified into sustainable and conventional financing. This classification is defined in IKB's Sustainable Finance Framework. IKB provides both committed and uncommitted financing. Either can be classified as sustainable if it meets certain criteria. Fulfilment of at least one of the following criteria is required for classification as sustainable financing: 1. ESG public programme loans, 2. Taxonomy-related activities, 3. activities that make a positive contribution to the SDGs, or 4. ESG KPI-related loans. For further details on the methodology and the related definitions, please refer to IKB's Sustainable Finance Framework. In 2023, "sustainable" new business pursuant to this definition totalling around €0.9 billion was financed and a total of around €1.7 billion was mobilised. The mobilised volume refers to the volume we arrange for our customers, only some of which is on our own balance sheet. A large proportion of the public programme loans are used for the transformation and are subject to strict conditions from the funding institutions, which IKB adheres to. The Bank's customers' compliance with these is checked as part of the proof of use. The funding institutions determine the monitoring individually. Both the United Nations Sustainable Development Goals (SDGs) and the European EU Taxonomy

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Regulation for sustainable activities have been taken into account for the IKB Sustainable Finance Framework. IKB's Sustainable Finance Framework is based on various guiding principles in the context of Loan Market Association (LMA) ESG products, particularly the Green Loan Principles (GLP) and the Sustainability-Linked Loan Principles (SLLP). It has not yet been possible to complete any projects concerning the social aspect under the Sustainable Finance Framework and allocation to SDGs, but such projects are planned for the future. [GRI 3-3 d] [GRI 3-3 e, f] [FS7] [FS8]

IKB offers its customers ESG advisory services, which includes supporting the customer with fulfilling regulatory requirements and also awareness workshops. Awareness of sustainable finance is promoted in particular in combination with IKB's public programme loans advisory services. The increased use of sustainable finance products means less greenhouse gas emissions will be financed in the long term and the contribution to achieving the SDGs will increase. IKB not only uses its knowledge externally but also regularly trains its sales employees internally on the topic of ESG advisory services. Through ESG advisory services, IKB also promotes its customers' know-how with a focus on sustainability. Awareness workshops are used to familiarise customers with the regulatory (statutory) requirements and changes (e.g. ESG scoring, CSRD etc.) that will become relevant for them in the next few years. IKB provides its customers with advice and support regarding the transformation at an early stage and supports them in the timely introduction of measures to meet the new requirements in this area. [GRI 3-3 d] [GRI 3-3 e, f] [FS16]

Credit volume by region – Group [FS6]

	31 Dec. 2023				31 Dec. 2022			
	in € million		in %		in € million		in %	
	in € million	in %	of which loan book	of which loan book	in € million	in %	of which loan book	of which loan book
Germany	11,340	71 %	7,432	82 %	13,064	74 %	7,384	80 %
Rest of the world	3,861	24 %	877	10 %	3,578	20 %	939	10 %
Western Europe	2,744	17 %	696	8 %	2,485	14 %	726	8 %
of which EU ¹⁾	663	4 %	-	0 %	401	2 %	-	0 %
Eastern Europe	678	4 %	55	1 %	463	3 %	69	1 %
North America	420	3 %	107	1 %	566	3 %	125	1 %
Other countries	19	0 %	19	0 %	64	0 %	19	0 %
Subtotal	15,201	96 %	8,309	92 %	16,642	95 %	8,323	90 %
Risk transferred to third parties ²⁾	710	4 %	710	8 %	928	5 %	928	10 %
Total	15,911	100 %	9,019	100 %	17,570	100 %	9,251	10 0%

1) European Commission, ESM, Council of Europe Development Bank and European Investment Bank

2) Hermes guarantees, indemnifications, risks transfers

Any differences in totals are due to rounding effects.

Credit volume by sector – Group [FS6]

	31 Dec. 2023				31 Dec. 2022			
	in € million		in %		in € million		in %	
	in € million	in %	of which loan book	of which loan book	in € million	in %	of which loan book	of which loan book
Industrial sectors	7,536	47 %	7,471	83 %	7,402	42 %	7,361	80 %
Energy	769	5 %	769	9 %	675	4 %	675	7 %
Mechanical engineering	566	4 %	566	6 %	550	3 %	549	6 %
Paper industry	537	3 %	537	6 %	456	3 %	456	5 %
Automotive	528	3 %	528	6 %	527	3 %	527	6 %
Chemical and pharmaceutical industry	507	3 %	480	5 %	524	3 %	498	5 %
Retailers (excluding automotive, filling stations)	477	3 %	476	5 %	451	3 %	449	5 %
Metal production and processing	409	3 %	409	5 %	423	2 %	423	5 %
Food industry	409	3 %	409	5 %	446	3 %	446	5 %
Metal products	353	2 %	353	4 %	320	2 %	318	3 %
Wholesale (excluding motor vehicles)	326	2 %	326	4 %	319	2 %	319	3 %
Other industrial sectors	2,655	17 %	2,618	29 %	2,711	15 %	2,701	29 %
Real estate	727	5 %	727	8 %	858	5 %	857	9 %
Financial sector	270	2 %	93	1 %	310	2 %	93	1 %
Banks	3,903	25 %	16	0 %	5,952	34 %	8	0 %
Public sector	2,765	17 %	2	0 %	2,120	12 %	4	0 %
Subtotal	15,201	96 %	8,309	92 %	16,642	95 %	8,323	90 %
Risk transferred to third parties ¹⁾	710	4 %	710	8 %	928	5 %	928	10 %
Total	15,911	100 %	9,019	100 %	17,570	100 %	9,251	100 %

Any differences in totals are due to rounding effects.

1) Hermes guarantees, indemnifications, risks transferred

4.3 Disclosures on the EU Taxonomy Regulation

Introduction

The European Commission published the EU Sustainable Finance Action Plan in 2018. One important component of this action plan is the EU Taxonomy Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), which provides a classification system for disclosing environmentally sustainable economic activities.

The technical screening criteria for which economic activities are to be classified as environmentally sustainable are set out in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2486 (the “Classification Delegated Regulations”). To this end, six environmental objectives are defined in accordance with Article 9 of the EU Taxonomy Regulation:

1. Climate change mitigation
2. Climate change adaptation

3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The EU Taxonomy Regulation is to be applied by all companies that are required to report under the Non-Financial Reporting Directive (“NFRD”) (see “Explanation of the reporting requirements” section). Pursuant to Article 3 of the EU Taxonomy Regulation, an economic activity qualifies as environmentally sustainable where that economic activity:

- contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16,
- does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17 (do no significant harm – DNSH),
- is carried out in compliance with the minimum safeguards laid down in Article 18 (minimum safeguards),
- complies with technical screening criteria that have been established by the Commission in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2).

Explanation of the reporting requirements

Pursuant to Article 8(1) of the EU Taxonomy Regulation, any undertaking which is subject to an obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU (the “Accounting Directive”) must include in its non-financial statement or consolidated non-financial statement information on how and to what extent the undertaking’s activities are associated with economic activities that qualify as environmentally sustainable.

Pursuant to Article 19a and Article 29a of the Accounting Directive and §§ 289b and 315b HGB, undertakings are required to publish a non-financial statement (i.e. are “covered by the NFRD”) if the following four criteria are cumulatively fulfilled:

- The undertaking is a corporation domiciled in the EU (for credit institutions in the EU, this criterion is fulfilled irrespective of their legal form).
- The undertaking is a public interest entity (“PIE”). These include:
 - publicly traded companies (i.e. securities admitted to trading on a regulated market of an EU member state),
 - credit institutions (excluding central banks, KfW, post office giro institutions),
 - insurance undertakings,
 - other undertakings designated by a Member State as public interest entities, e.g. of significant public relevance because of the nature of their business, their size or the number of their employees.
- The undertaking is a “large undertaking” or a “parent undertaking of a large group”. “Large undertakings” are undertakings that exceed at least two of the three following size criteria on the reporting date:
 - total assets: more than €20 million,
 - net turnover: more than €40 million,
 - average number of employees during the financial year: from 250 (however, it should be noted that for determining whether an undertaking is covered by the NFRD, the number specified in the following criterion of 500 employees on average for the year is relevant).
- The annual average number of employees is above 500.

As a credit institution, IKB is required to publish a non-financial statement and to make the disclosure in accordance with the EU Taxonomy Regulation.

The EU Taxonomy Regulation is to be applied in full (taxonomy-eligibility and taxonomy-alignment) for the first time for the 2023 financial year as part of IKB's separate non-financial report in accordance with the NFRD. The integration of the non-financial report into the management report will take place with the entry of the Corporate Sustainability Reporting Directive (CSRD) into force from the 2024 reporting year. In accordance with Delegated Regulation (EU) 2021/2178 on reporting requirements, financial undertakings must report taxonomy-eligibility for all environmental objectives 1 to 6 and taxonomy-alignment for environmental objectives 1 and 2 for the first time from 1 January 2024. This information includes qualitative and quantitative information on turnover- and CapEx-related key performance indicators (KPIs) that must be published in standard templates. For credit institutions, the main key performance indicator is the green asset ratio (GAR). The GAR shows relevant taxonomy-aligned assets as a percentage of the credit institution's total covered assets. The EU Taxonomy Regulation excludes exposures to governments, central banks and supranational issuers from credit institutions' calculation of the numerator and denominator of the GAR, which also includes transactions with regional governments. Assets in the trading book are not included either. The following assets that must be taken into account in IKB's GAR calculation with regard to taxonomy-alignment result from the requirements:

- loans and advances,
- debt securities,
- equity instruments,
- repossessed real estate collateral,
- off-balance sheet exposures (financial guarantees, which represent liabilities from guarantees and indemnity agreements according to RechKredV).

In accordance with Delegated Regulation (EU) 2022/1214, the European Commission imposes additional reporting obligations on economic activities in the areas of nuclear energy and fossil gas.

For the calculation of the key performance indicators to be reported, the regulatory scope of consolidation of the IKB Group was taken into account.

For the non-legally binding Draft Commission Notice¹ on the EU Taxonomy Regulation published at the end of December 2023, we analysed deviations from our previous interpretation on the basis of the information available by that point. From our point of view, the document includes both different clarifications and new, extended requirements. We have mainly not yet taken the content in the 2023 non-financial Report into account. It has not yet been possible to determine a definitive approach for implementation due to the late date of its publication. We will further analyse it in 2024 and draw conclusions for IKB's reporting.

¹ DRAFT COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets.

Difference between taxonomy-eligibility and taxonomy-alignment

Taxonomy-eligibility

The regulations on the EU Taxonomy define economic activities that are environmentally sustainable. Firstly, taxonomy-eligibility must be assessed. This requires that an economic activity is defined in the “Classification Delegated Regulations”. An economic activity is accordingly deemed to be taxonomy-eligible if it can be assessed in the EU Taxonomy Regulation, irrespective of whether the economic activity actually meets the Taxonomy’s screening criteria.

The taxonomy-eligible economic activities relate to the relevant assets listed above in the reporting for credit institutions. When assessing taxonomy-eligibility, a distinction is also made according to the type of business partner. A distinction is drawn here between financial undertakings, non-financial undertakings, private households and local authorities. If the business partners for financed assets are financial or non-financial undertakings, the business partner itself must be required to prepare the non-financial reporting so that IKB’s own assets can be classified as taxonomy-eligible.

For assets due from financial or non-financial undertakings covered by the NFRD, a distinction must also be drawn as to whether or not these are for a specific purpose (i.e. committed). If the use of the financing is known at transaction level – i.e. it is committed financing – credit institutions can consider relevant assets to the extent that the underlying transaction finances a taxonomy-eligible activity.

In case of general lending and securities where the use of the financing is not known – i.e. it is uncommitted financing – credit institutions can take the turnover and CapEx KPIs reported by their business partners in the non-financial report as the basis for calculating their own turnover and CapEx KPIs. The business partners’ KPIs are in each case related to the respective asset on a pro rata basis and the non-committed assets can thus be classified into taxonomy-eligible and taxonomy-aligned and non-taxonomy-eligible and non-taxonomy-aligned. Assets due from private households may only be considered if these are loans secured by residential properties or building-renovation or car loans.

As part of the assessment of business partners’ assets used for a specific purpose (committed financing) that are required to submit non-financial reports, according to Delegated Regulation (EU) 2021/2139, in addition to economic activities 7.7 “Acquisition and ownership of buildings” and 7.2 “Renovation of existing buildings”, economic activities 3.3 “Manufacture of low carbon technologies for transport” and 4.9 “Transmission and distribution of electricity”, among others, were also to be classified as taxonomy-eligible for the 2023 financial year.

Taxonomy-alignment for environmental objectives 1 to 2

As of the 2023 financial year, the financed assets committed for a specific purpose classified as taxonomy-eligible are reviewed for their taxonomy-alignment. A financed asset is taxonomy-aligned if it makes a substantial contribution to at least one of the six environmental objectives. This is the case if the financed asset meets all the technical screening criteria for the substantial contribution of the economic activity allocated.

Furthermore, the DNSH (do no significant harm) criteria must be complied with so that there is no significant harm of any one of the other environmental objectives. In addition, the undertaking that has financed the asset must comply with the EU Taxonomy’s minimum safeguards criteria (see “Minimum safeguards” section).

Substantial contribution to the environmental objectives

When assessing alignment, a check is made of whether there is a substantial contribution to at least one of the six environmental objectives.

In the 2023 reporting year, assets due from customers covered by the NFRD that were financed with committed financing were classified on the basis of their contribution to the environmental objectives of “climate change mitigation”

and “climate change adaptation”. It was not possible to establish taxonomy-alignment for any committed asset largely due to lack of data.

DNSH for the environmental objectives

For financed assets to count as taxonomy-aligned, it must also be investigated whether there is no significant harm of the other environmental objectives in the economic activity allocated.

Minimum safeguards

Minimum safeguards include compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and the International Bill of Human Rights.

The audit of the minimum safeguard criterias must be carried out for credit institutions at the level of their business partners and is another prerequisite for taxonomy-eligible financed assets to be considered taxonomy-aligned.

IKB largely uses publicly available information provided by the business partners in their non-financial reporting for this, particularly from the reporting and templates for the EU Taxonomy.

In the case of local and regional authorities, the focus is on compliance with the minimum safeguard standards of the government above them. The government’s commitment to and implementation of relevant human rights conventions is key. In addition, relevant indices for compliance with human rights or for combating corruption are also included in the assessment.

Self-fulfilment of minimum safeguards

In accordance with its Code of Conduct, IKB is guided here by international agreements and policies, such as the Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO) and the UN Global Compact. As a result, IKB meets the requirement for the minimum safeguards criteria.

EU Taxonomy business strategy

As an integral part of the business and risk strategy in accordance with MaRisk, the topic of sustainability is a strategic objective for the Bank as a whole and thus has a direct impact on IKB employee targets.

IKB has a strategic, regulatory and product-driven agenda in the context of ESG.

The risk and regulations area ensures that the regulatory ESG requirements, including in connection with the Taxonomy, are realised and implemented in accordance with the regulations.

IKB has the aim of becoming a relevant sustainable provider of finance for SMEs in Germany. As a result of the structure of the loan portfolio with a high proportion of public programme loans and new ESG product initiatives, the prerequisites for reaching the objective are in place. The EU Taxonomy Regulation also forms an assessment criterion of the of IKB’s Sustainable Finance Framework with the aim of providing a solid and transparent method for assessing sustainability in the lending process, regardless of the size and country of domicile of the business partner.

The data situation for the assessment in accordance with the EU Taxonomy Regulation is to be continuously improved through close dialogue and further raising our customers’ awareness of the information needed.

In the future it will be possible to assess assets of additional counterparties in accordance with the EU Taxonomy Regulation through the CSRD. The taxonomy-eligible economic activities are currently defined for the six environmental objectives set out in the EU Taxonomy Regulation. These objectives are regularly adjusted to new developments and technical progress in the course of extensions and reviews. Furthermore, including the environmental objectives of

“sustainable use and protection of water and marine resources”, “transition to a circular economy”, “pollution prevention and control”, and “protection and restoration of biodiversity and ecosystems” increases the number of potentially taxonomy-aligned economic activities.

IKB offers its customers ESG advisory services. As part of this service, we provide advice to our customers in connection with the transformation and thus also implementation of the EU Taxonomy Regulation requirements. As part of the new business process, the taxonomy-relevant aspects are also considered.

Disclosures in accordance with Article 8 of the EU Taxonomy Regulation

To calculate the relevant KPIs for the EU Taxonomy Regulation, it is necessary to expand the collection of data for the financed assets. The necessary data was largely collected from IKB’s existing central data set.

The review of the business partners covered by the NFRD is conducted using data from the lending process from portfolio management systems.

The gross carrying amounts of the assets relevant for the EU Taxonomy Regulation were taken from the central data set, which forms the basis for the preparation of the annual financial statements and the regulatory Financial Reporting (FinRep). The gross carrying amount was calculated at amortised cost before recognition of write-downs in accordance with HGB.

For the purposes of process implementation, IKB has introduced application software for the identification of taxonomy-eligibility and -alignment and the preparation of the taxonomy templates according to EU Taxonomy Regulation.

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

	Total environmentally sustainable assets (€ million)	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.1.4. of Annex V)
Main KPI						
Green asset ratio (GAR) stock	17,3	0,16%	0,20%	74,30%	67,91%	25,70%

	Total environmentally sustainable assets (€ million)	KPI****	KPI*****	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.1.4. of Annex V)
Additional KPI						
GAR (flow)						
Trading book*	-	-	-	-		
Financial guarantees	0,7	0,07%	0,05%			
Assets under management	-	-	-	-		
Fees and commissions income**						

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Institutions shall disclose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks' total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in grey should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

IKB's business model is focused on the German upper midmarket. Many of our customers are not covered by the NFRD due to the aforementioned size criteria or not being publicly traded and therefore cannot be taken into account in the green asset ratio. As of December 31, 2023, only € 0.9 billion (8.61% of total GAR assets) therefore qualify for inclusion in the GAR numerator. The sum of total GAR assets (denominator) amounted to a total of € 10.9 billion. The EU Taxonomy Regulation also excludes assets due from governments, central banks and supranational issuers in the amount of € 3.8 billion from the calculation of credit institutions' GAR (approx. 26% of total gross carrying amount). Furthermore, the EU Taxonomy Regulation does not provide for any assessment of alignment for the environmental objectives of "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control", and "protection and restoration of biodiversity and ecosystems" for the 2023 financial year. In some cases, the necessary data could not be provided for the assets assessed by IKB in accordance with the EU Taxonomy Regulation, and these assets therefore could not be assessed as taxonomy-aligned. In total, the taxonomy-eligible assets amount to € 0.3 billion (turnover based), consisting primarily of loans and credits to non-financial and financial undertakings.

The green assets ratios of 0.16% (turnover based) and 0.20% (CapEx based) are thus based on a small proportion of the total portfolio and are shaped by committed financing provided to customers covered by the NFRD.

We refer to the Appendix for the following reporting templates pursuant to the EU Taxonomy Regulation:

- Assets for the calculation of GAR
- GAR sector information,
- GAR KPI stock,
- GAR KPI flow,
- KPI off-balance sheet exposures.

Information on prior-year comparisons can generally only be reported on the next reporting date. These sections of the templates are therefore not reported in the Appendix. They will be added in the next report.

Due to lack of data from the real economy on business activities for the environmental objectives of “sustainable use and protection of water and marine resources”, “transition to a circular economy”, “pollution prevention and control” and “protection and restoration of biodiversity and ecosystems”, no corresponding disclosures on the taxonomy-eligibility and -alignment are possible, and they are thus omitted from the reporting templates. If the taxonomy performance indicators for taxonomy eligibility and taxonomy alignment by business partners subject to NFRD are not reported accordingly corresponding to the individual environmental objectives, they are reported in the total portfolio. Pursuant to Regulation (EU) 2020/852, the first reporting period for the mandatory publication of taxonomy-aligned disclosures is 2023. However, to calculate the key performance indicators for the new business volume, in addition to the gross carrying amounts as of 31 December 2023, the figures as of the previous year’s reporting date of 31 December 2022 are also needed. Because the figures needed for the previous year are generally not available, the “GAR KPI flow” cannot be calculated for 31 December 2023. This means that all fields of taxonomy templates “GAR KPI flow” can yet not be completed as of the reporting date of 31 December 2023, and thus the templates will be published for the reporting date of 31 December 2024.

Like templates "GAR KPI flow", templates “KPI off-balance sheet exposures flow” will be completed and reported for the first time on 31 December 2024.

As a non-trading book institution, IKB does not report a trading portfolio and no asset under management is offered. Therefore, no figures in the reporting templates are reported.

Disclosures on nuclear and fossil gas

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

An IKB customer covered by the NFRD disclosed in its 2022 non-financial report that, pursuant to the Delegated Regulation (EU) 2022/1214, the undertaking operates a facility for combined heat/cool and power generation using fossil gaseous fuels, for which no further disclosures for turnover or CapEx were reported in the templates.

No other economic activities in this area were carried out in the 2023 reporting year. In light of this, templates 2 to 5 (Template Taxonomy-aligned economic activities (denominator), Template Taxonomy-aligned economic activities (numerator), Template Taxonomy-eligible but not taxonomy-aligned economic activities, Template Taxonomy non-eligible economic activities) of the Delegated Regulation (EU) 2022/1214 will not be published.

5. Social responsibility

5.1 Talented employees are IKB's capital

IKB takes its responsibility for the future seriously. Not just regarding its products but also as a socially responsible company with a strong focus on values. Committed, well trained, responsible employees are essential for IKB. Their skills are a key success factor that supports sustainable customer relationships and IKB's sustainable business development. Accordingly, the Bank pursues a policy of sustainable staff development aimed at ensuring the professional and personal qualification of its employees, maintaining their effectiveness in the long term and also improving IKB's attractiveness as an employer. Offering its employees contemporary working conditions and a modern working environment adapted to sustainability aspects is therefore of particular importance for the Bank. New members of the Supervisory Board will receive training on this topic in the near future. [GRI 3-3 a, b] [FS4]

In human resources management, in practice this means that IKB:

- Retains and promotes its employees
- Supports employees' mental and physical health
- Develops junior staff and talent
- Provides additional training options

IKB concluded a "training offensive" works agreement in 2018 and invests heavily in the training and development of its employees. The training opportunities are continuously developed to meet changing requirements. As part of this, certificate courses in sustainable finance and a new "management & digitalisation" course of studies were introduced for the first time in 2023. The members of the Board of Managing Directors and of the Supervisory Board were internally and externally trained on the topic of ESG. [GRI 2-17] [GRI 3-3 d] [FS4]

IKB's transformation towards sustainability is an ongoing and holistic process that is constantly adapted to new circumstances. Sustainable human resources management thus also represents a cultural change that the Bank is supporting. This is essential for the success and continued existence of the Bank, which is why the sustainable focus of HR work represents a key strategic core topic. IKB's staff development strategy is derived from its corporate strategy. IKB's aim is for employees to identify with IKB, its values and its strategic orientation. [GRI 3-3 c] [GRI 3-3 e, f]

Headcount KPIs

IKB employed 605 permanent employees across Germany as of 31 December 2023. The employees are employed exclusively in Germany. The breakdown of the number of female and male employees can be seen in the following tables. [GRI 2-7]

Total number of employees, full-time employees and part-time employees as of 31 December 2023

	Total no. of employees	Total no. of full-time employees	Total no. of part-time employees
31 Dec. 2023			
Male	373	350	23
Female	232	141	91
Total	605	491	114

During the 2023 financial year, no significant rise or fluctuations were seen in the number of employees. IKB employed 589 people across Germany as of 31 December 2022 and 605 people as of 31 December 2023. IKB does not employ any fixed-term employees or any employees whose working hours are not guaranteed. The ratio and breakdown by gender of full-time and part-time employees can be seen in the following tables. 81% of employees are thus employed full time and 19% part time. [GRI 2-7]

IKB also regularly provides the opportunity to gain insights into its operations through internships. However, as there were fewer than 10 interns during the financial year, the Bank has not provided a detailed breakdown by gender or other categories. As part of project work or when special know-how is needed, IKB also employs freelancers as needed. Because no employee relationship exists here, further details such as gender or other categories have not been disclosed. [GRI 2-8]

In Germany, the right to unionise is enshrined in the constitution. The unions regularly inform employees about their rights and exercise their freedom of association. As a member of the Association of Employers in Private Banking (*Arbeitgeberverband des privaten Bankgewerbes e. V. – AGV Banken*), IKB is bound by its collective agreements and other social partner agreements. The AGV represents the socio-political interests of the banks and building societies organised under private law throughout the Federal Republic of Germany. IKB is therefore subject to a wage agreement that governs the salaries of employees covered by collective agreements via the collective wage agreement for the private banking industry. Even the salaries of the employees in the lowest wage group are significantly above the statutory minimum wage. The Bank is thus committed to fair and living wages for all employees. The percentage of the workforce covered by collective agreements is 40%. The terms and conditions of employment of the employees whose pay is not covered by collective agreements, to whom the collective wage agreements do not apply, correspond in their entirety to at least the conditions in the collective agreements. [GRI 2-30]

Co-determination is a high priority at IKB. It enables employees to take on more responsibility and contribute their own ideas. IKB acknowledges its employees' right to join a union or employee representation of their choice and, of course, ensures the right to freedom of association and wage negotiations. All employees are represented by local works councils and a central works council. In addition, junior staff are represented by a youth and trainee delegation. The works council is on hand to provide help and support to all IKB employees and offers a secure environment in which concerns and complaints can be voiced in confidence and solutions can be found together. The disabled persons' delegation is the special interest group representing severely disabled employees and employees with equivalent status in the company. [GRI 2-30]

IKB hired a total of 64 new employees in 2023, and 32 employees resigned. The breakdown by age group can be seen in the following two tables. The figures shown relate to the completed financial year 2023. [GRI 401-1]

IKB Combined Separate Non-Financial Report 2023

Total number of new hires during the 2023 financial year (1 January to 31 December 2023)

Age structure	Male	Female	Total number
30 and under	23	12	35
31 to 50	20	7	27
51 to 60	2	0	2
Over 60	0	0	0
Total	45	19	64

Total number of resignations during the 2023 financial year (1 January to 31 December 2023)

Age structure	Male	Female	Total number
30 and under	9	2	11
31 to 50	11	8	19
51 to 60	1	1	2
Over 60	0	0	0
Total	21	11	32

IKB grants parental leave to all employees who are entitled to it under the German Parental Allowance and Parental Leave Act (BEEG), irrespective of their gender. A total of 9 employees took parental leave in the 2023 financial year. Of these nine employees, four were male and five female. Further information on the topic of parental leave can be found in the following table: [GRI 401-3]

Number of employees who returned to the workplace after their parental leave ended in the 2023 financial year

	Male	Female	All
Total	6	3	9

Number of employees who returned to the workplace after their parental leave ended and were still employed after 12 months

	Male	Female	All
Total	6	2	8

Rate of return to the workplace in financial year 2023

	Male	Male returns	All	Return rate
Total	6	6	6	100%

	Female	Female returns	All	Return rate
Total	3	2	3	66.7%

Employer for all life situations

Health, well-being, job satisfaction and work-life balance are closely linked to employees' performance and ensure IKB's competitiveness. This is because companies can only be successful in the long term if they have well trained, motivated and healthy employees. This is more than just words for IKB:

For many years, the Bank has supported various preventive measures in the areas of diet, exercise, relaxation, mental health and occupational medicine. In addition, it ensures optimal work-life balance through an HR policy oriented towards family and life stages. Flexibility and mobile working ensure that employees can easily balance their personal needs with their job. Above and beyond the legal requirements, IKB offers all employees a wide range of options for maintaining their mental and physical health.

HR is responsible for health management, and Operations is responsible for occupational safety. For organisational reasons, both HR and Operations are supported by further individuals or organisations on individual topics, e.g. by company doctors, specialists in occupational safety, works councils or other external service providers.

Flexible work times

For IKB, work-life balance means that personal needs are taken into account at the workplace where possible and that a balance between work and life is successfully created. IKB wants to promote this through individual measures, for example through flexible working time models and through choice of work location where operational needs allow this.

The flexible working time arrangement in the form of a flexitime model enables all IKB's employees to organise their working time as they wish and at the same time adapt to the Bank's needs. This model permits variable working times and work outside of core hours, so that, for example, employees with children can ensure their care. In order to meet employee wishes to be able to organise their active working lives in the form of early retirement or paid leave, IKB has attractive options for all employees within the framework of a work-time account model. Employees have the option of planning longer-term periods of leave through saving salary components free of tax and social security contributions. Additional options, such as working part-time (including temporarily) or taking unpaid leave, increase the flexibility in the planning of individual life stages. It is also possible for managers to work part time at IKB.

As part of the New Work project, additional elements such as mobile working and desks sharing were also introduced as early as 2021 in order to give IKB's employees greater flexibility regarding their work location. To the extent operating needs allow, the choice of work location within Germany is flexible. In addition, sales employees can work 40% of their working hours remotely, whereas head office employees can work 50% of their hours remotely. In order to keep pace with the requirements of the Bank's ongoing digitalisation, employees' IT equipment is being comprehensively modernised and sustainable improvements are being made in stability and quality.

Work-life balance

An HR policy geared towards family and life stages is an important aspect of IKB's corporate culture and creates value. The Bank promotes a work-life balance through individual options, taking account of employees' life stages. This is day-to-day management and a fundamental part of IKB's corporate culture. To this end, the Bank provides family-friendly options, effective health promotion and flexible working conditions.

The Fürstenberg Institute, which has worked in the areas of external employee counselling and work-life service for more than 25 years, supports IKB in dealing with the consequences of demographic change, complex change processes and increasing requirements for employees and managers. Through the work-life service's information consultations and qualified agency services – for example a nursing and care agency and a family service with holiday and emergency care for children – IKB employees can obtain help and get support in all phases of their lives and careers. In the event of certain personal events (such as their own or their children's wedding, the birth of a child, deaths in the immediate

family or moving house) or in connection with training, IKB employees are entitled to special leave with continued payment of salary in accordance with the collective agreement. This arrangement also applies to employees not covered by collective agreements.

Since 2006, IKB has participated in the “audit workandfamily” developed by the non-profit Hertie Foundation as a strategic management instrument. As part of this audit of work-life balance, areas relevant for human resources policy are analysed and areas for action are identified with the aim of promoting a family-friendly policy. The Bank has an ongoing commitment to promoting a family-friendly human resources policy. For this reason, IKB was again re-audited in a dialogue process with berufundfamilie Service GmbH in June 2023 and passed successfully. IKB also participates in the German Federal Ministry for Family Affairs, Senior Systems, Women and Youth’s Compatibility Progress Index. This seal of participation also shows that the Bank has a family-aware corporate culture and is committed to work-life balance.

Company health management

Health, safety, well-being and job satisfaction are closely linked to employees’ performance and ensure IKB’s competitiveness. The Bank has systematically supported healthy working for many years and has professional health management. Above and beyond the legal requirements, IKB offers all employees a wide range of options for maintaining their mental and physical health. These include occupational healthcare and various preventive measures in the areas of diet, exercise, relaxation and mental health. In addition, all employees and managers are offered a professional advisory service for the solution of professional, private and health issues. In order to promote lasting physical and mental well-being, both managers and employees are expected to take responsibility for their own actions and ensure a working environment that is conducive to health. The company doctor therefore advises and supports all IKB’s employees in strict compliance with medical confidentiality. Her work also includes participating in the Occupational Health and Safety Committee. She is available for the following:

- Advice on issues regarding incapacity to work, incapacity to work in a specific occupation, disability and rehabilitation
- Information, advice and check-ups in the event of workplace-related and/or general medical complaints
- Eye tests for workplaces with computers

In addition, IKB’s company doctor acts as an addiction counsellor for employees. In 2023, no work-related illnesses were reported to IKB. There were no work-related fatalities in previous years or in the reporting period. The number of work-related accidents in 2023 was 3 reportable (commuting) accidents with absences of more than 3 working days and 6 (minor) accidents without absences from work. The rate of accidents (rate per 1,000 persons = reportable accidents / employees * 1,000) was 4.9 in the reporting period. [GRI 403-3] [GRI 403-9] [GRI 403-10]

Furthermore, IKB has had professional company health management (CHM) for several years. This is based on three pillars:

1. Occupational safety (required by law)
2. Company reintegration management (required by law)
3. Company health promotion (voluntary component)

Occupational safety

The basis of occupational safety is compliance with existing occupational safety guidelines, statutory regulations and industry standards.

In addition to health protection, safety at work is an essential part of occupational safety. The prerequisite for this is the elimination or at least minimisation of health hazards to employees, for example due to accidents. In order to achieve this objective, the entire hazard potential at the workplace must be investigated as comprehensively as possible and measures must be taken to minimise the risk of a hazardous event occurring. It is thus mainly about avoiding work-related accidents. IKB has an occupational health and safety committee in accordance with section 11 of the German Act on Occupational Physicians, Safety Engineers and Other Occupational Safety Specialists (ASiG). It meets once a quarter to discuss matters of occupational safety, including health promotion relating to working conditions and accident prevention. Site inspections and risk assessments are therefore carried out at regular intervals, sufficient safety officers are appointed and qualified, employees are trained as first aiders and fire-safety and evacuation assistants, and topics are discussed in the Occupational Health and Safety Committee. An external occupational safety specialist supports IKB in an advisory capacity and has the task of providing support on occupational safety and accident prevention in all matters of safety at work, including the human-centred organisation of work. All employees are trained on the topics of occupational safety/company emergency measures once a year. This is carried out annually as mandatory training by means of the "Safe at Work" e-learning course on health protection and accident prevention topics. Fire drills are regularly conducted to ensure that people will also evacuate correctly in the event of an emergency. [GRI 403-2] [GRI 403-5]

Reintegration management

IKB offers its employees support with reintegration. This can be provided by adapting and managing their workload, the content of their work and their working hours and also by means of individualised measures for returning to work. Moreover, there is group accident insurance that not only covers work but also employees' private lives.

Company health promotion

Knowing the health-promoting effect of sporting activity, IKB offers various types of company sports and prevention courses. In addition, IKB has participated in the "B2BRun" for several years. It competes with more than 500 other companies, just like in the City Cycling initiative, where IKB employees have already repeatedly proven that they are enthusiastic cyclists. In 2023, IKB achieved an outstanding third place in City Cycling. Internally, the "Step Challenge" encourages employees to exercise more in a collegial competition between the departments.

Furthermore, knowledge about a healthy lifestyle is presented both online and in face-to-face events at the annual Health Day. This takes place, for example, in workshops about gut health and healthy eating and in EMS training.

If they have mental health problems, both IKB employees and their relatives can anonymously contact the Fürstenberg Institute's (emergency) psychological counselling service.

The current health rate, which is around 97%, is proof that all these measures are hitting the mark. [GRI 403-6]

Mental health

The current working world is being shaped by a structural change that is bringing considerable changes for many employees in terms of their psychological stress at work. A higher workload often goes hand-in-hand with increasing intensification and complexity of work. This may lead to increased stress among individual employees and in teams and to particular stress situations and conflicts. The trigger factors for psychological stress therefore play a decisive role in occupational safety. Lawmakers have also recognised this and have prescribed the implementation of a psychological stress risk assessment by law. The German Safety and Health at Work Act (ArbSchG) requires employers to help to prevent accidents and work-related illnesses and contribute to the human-centred organisation of work with occupational safety measures. In addition to measures for maintaining physical health, a risk assessment must also take psychological stress into account. In parallel with the employee survey, a psychological risk assessment is therefore conducted roughly every two years using an anonymised, representative sample, and appropriate fields of action are

derived from the results. These include the provision of workshops on the topics of “resilience”, “stress and self-management” and “healthy management”, but also the development of measures that contribute to the points that were reported as having room for improvement across all areas of the Bank. In addition, all employees and their family members can make use of the Fürstenberg Institute’s neutral external counselling service for employees and managers free of charge and anonymously in the event of psychosocial problems. As well as counselling sessions, information material is provided on topics such as addiction and dealing with employees with mental health issues.

In addition, IKB offers the following options in particular for support in challenging times:

- Special seminars on staying healthy, e.g. on the topic of resilience, healthy eating and sound sleep
- Internal support in change processes (individual, at team level, at department level, at the level of the Bank as a whole)
- Workshops on mental health (including group-specific workshops for employees and managers)
- The “froach” active break initiative
- The “mindful break” initiative
- Burnout prevention/workshops to raise awareness among managers
- Mobile massages

A wide range of information on work-life topics is available to all employees through the intranet in the IKB Academy. This is continuously added to and updated. [GRI 403-6]

Investing in IKB employees

In light of the dynamic markets, employee training is extremely important to the Bank. IKB’s business success is based on its employees’ commitment, motivation, creativity, qualifications and willingness to learn. The Bank’s corporate policy also aims to create a framework for ensuring that employees are happy and successful with IKB. IKB offers a wide range of measures to support its employees. Individual development is the focus each year in the mid-year interviews. The aim of the interviews is to ensure transparency about any development opportunities for all employees, to set detailed training objectives and to set out appropriate training measures in individual development plans. The basis for this is IKB’s skills model, which is regularly reviewed in view of the workplace’s changing requirements. The effectiveness of the training is assessed in the annual interviews with employees and talent review meetings and the assessment results are followed up. The available training is concentrated around needs-oriented professional seminars. Methodological and behavioural training, job shadowing, mentoring programmes, foreign language courses and management seminars are also offered, for example. Since the Covid-19 crisis, a large number of training measures have been switched to digital or hybrid formats. In the financial year 2023, there were 378 qualification measures with a total of 3,897 participations at IKB. On average, each employee took part in 7 training sessions (including mandatory training). Men accounted for 2,333 of the total instances of participation in training and women accounted for 1,564. 413 training measures were completed by managers, of which 308 by male and 105 by female managers. Each employee has a budget of €1,500 per financial year for training. [GRI 404-1]

For the purposes of its initial professional training concept, IKB employs students on dual study courses in a three-and-a-half-year programme comprising training at IKB and a course of studies at the University of Applied Sciences for Economics and Management (FOM) in Düsseldorf. Employees at the Frankfurt location can study at the Frankfurt School of Management and Finance alongside their work. Training at IKB offers a comprehensive, practically oriented insight into the strategy, business segments and central functions of the Bank. IKB further expanded its junior employee programmes in 2023 and recruited eight new students on dual study courses and 18 trainees. This included introducing

two new dual study courses (business administration and management & digitalisation). This job training is accompanied by various orientation seminars that strengthen the young employees' network and sense of identification with IKB. IKB takes a targeted approach to supporting the network of young employees via an internal mentoring programme. As part of its promotion of young employees, the Bank also employs trainees and interns on a needs-oriented basis. The expansion of the IKB junior employee programme is a necessary tool for the Bank in light of the need to secure the future and for a balanced age structure. This creates a trained and qualified pool of potential that IKB can call on when needed. The aim is to retain junior talent at the Bank in the long term. [GRI 404-1]

The target agreement process and the annual performance review are a core component of IKB's management culture. This ensures that the Bank's strategic aims are derived from the current business strategy and risk strategy and are optimally integrated with employee targets. Furthermore, the performance review is an important assessment and development tool at which the employee's skills and potential are to be discussed and supported. In principle targets are agreed for the following financial year and target achievement in the past financial year is assessed. All employees except interns, temporary employees and other individual employees (e.g. released works council members) are given a performance review. IKB also holds assessment interviews with its students on dual study courses and its trainees at regular intervals. [GRI 404-3]

Diversity and equal opportunity

"Professional, committed and reliable" are the values that shape and guide IKB's thinking and actions. As a cornerstone of IKB's business activities, its sustainable performance and risk culture builds on these three pillars. IKB is committed to upholding the globally applicable principles regarding human rights, labour standards, the environment and combating corruption. Together with the Code of Conduct, these principles form a binding framework for guiding IKB's actions.

IKB wants the Code of Conduct to raise awareness of its mission statement and the associated ethical and moral values and principles of conduct. The Code of Conduct forms the binding guidance framework for IKB's corporate and risk culture and is the basis of the more specific rules in the business and risk strategy and IKB's written rules. It sets out the values and principles of conduct for all business activities. It includes the fundamental requirements for the conduct of each individual. The demands the Bank makes of its employees' conduct are matched by IKB's obligation to inform and support them accordingly.

IKB's business success is based on the professionalism, commitment and reliability of its employees. The Bank's corporate policy aims to create the basis for employees to work for IKB with commitment and success. They should be able to recognise and pursue opportunities for their personal development at IKB. IKB promotes an open, cooperative and innovative corporate culture. IKB appreciates and encourages an open dialogue with regard to the opportunities and risks of business activities. All employees have the right to fair, polite and respectful treatment by managers, employees and colleagues. No one may be discriminated against or disadvantaged on account of their gender, religion, age, appearance, origin, skin colour, nationality, beliefs, sexual orientation or a disability. This philosophy prohibits all forms of prejudice, discrimination and harassment and promotes and protects an environment based on partnership. IKB acknowledges the United Nations Universal Declaration of Human Rights as valid for all people in the world and expects its partners to do the same. The protection of universal human rights and compliance with the Fundamental Principles and Rights at Work of the International Labour Organization (ILO) are particularly important in this context. The same principles and rules apply in the selection of service providers and suppliers.

All employees must comply with this Code of Conduct and base their conduct on the above standards. If there are indications of breaches of the Code of Conduct, misconduct, discrimination or harassment at work, employees always have the option of talking to their line manager. If the employee does not think this is appropriate or will be sufficient, they can submit a report via the whistleblowing system located in the "central office". Whistleblowers enjoy special

protection. It is also possible to report breaches anonymously. In addition, the works council is on hand to provide help and support to all employees and offers a secure environment in which concerns and complaints can be freely expressed and solutions can be found together.

All employees must confirm that they acknowledge the principles of the German General Equal Treatment Act (AGG). To ensure this, online training in accordance with the German General Equal Treatment Act is mandatory for all employees.

In order to ensure equal opportunities at IKB, an equal opportunities officer has been appointed. The equal opportunities officer is involved in matters that impact the equal rights of men and women and the acknowledgement of their equal status. In addition, the equal opportunities officer also acts as a point of contact for employees regarding equality and gender issues, discrimination and sexual harassment and in cases of conflict arising from working in a team.

The disabled persons' delegation is the special interest group representing severely disabled employees and employees with equivalent status in the company. It is required by law to ensure that the employer meets its statutory obligations, in particular its duty of employment and duty of care towards severely disabled employees. Severely disabled persons or persons with equivalent status are provided with jobs that meet their needs.

In addition, all employees and their relatives can contact trained counsellors anonymously through the Fürstenberg Institute's external employee counselling service, whose competent staff are available to provide counselling in difficult work or family situations.

IKB has been a member of the Fair Company initiative since 2015 and has been awarded the Fair Company seal every year since then. Fair Company is the largest and most well-known employer initiative in Germany that is sustainably committed to a fair working world. The Fair Company initiative is specifically aimed at young professionals and people starting their careers, and recognises companies that offer young people fair working conditions and development prospects. The Fair Company acceptance test is carried out by an academic partner, the Institute for Employment and Employability (*Institut für Beschäftigung und Employability* – IBE). It assesses criteria such as work organisation, collaboration and management, corporate culture and values, commitment to employees, diversity and equal opportunities, fair practice in the market, social responsibility and sustainability. Only once the requirements have been met in all the dimensions is a company considered to be a Fair Company and allowed to join the initiative.

IKB is convinced that diverse teams and mixed management levels lead to better decisions in the Group in the long term. Different ideas and perspectives help drive innovations, manage risks and keep the business model running successfully over the long term. IKB employs people with 22 different nationalities, from four generations, almost 40% of whom have a disability or differing needs. The Bank values this diversity and sets great store by creating an inclusive workplace that benefits all employees equally.

In 2021, IKB therefore committed to and signed the German Diversity Charter (a corporate initiative to promote diversity in companies and institutions). The Diversity Charter stands for handling diversity in a way that involves all diversity dimensions equally: age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and belief, sexual orientation and social origin. At IKB, inclusion is not just restricted to specific dimensions of diversity but has the aim of facilitating full and equal participation in all areas and thus promoting diversity.

Key factors that can inhibit diversity in companies include lack of knowledge, prejudice and unconscious bias. To counteract these, all managers and employees have received mandatory training on the subject of unconscious bias in recent years. To draw attention to the topic of diversity and its relevance and to show that discrimination of any kind is not accepted at the Bank, IKB actively takes part in Diversity Day and various associated initiatives each year. In 2023, for example, the focus was on cultural diversity with ethnic origin and nationality. IKB is committed to integrating people with disabilities and focused on this topic in 2023 in a talk to the whole bank. An external speaker shared the

experiences she has had in her day-to-day life due to having a physical disability since childhood. In addition, workshops and events with external speakers on various topics take place along the dimensions of diversity during the year. Recommendations for podcasts, quizzes or interesting articles are also regularly published on the intranet. [GRI 405-1]

As part of IKB's activities to increase diversity, the Bank has set the strategic objective of particularly focusing on the qualification of women. This has accordingly been incorporated in managers' targets. In order to promote the development of the Bank's female employees with high potential, to increase equality of opportunity and increasingly bring women into management positions, in 2022 IKB launched a Female Talent Programme that supports talented women. The aim is to identify selected female employees who have potential for any management or key roles and to train them and support them with their future career development at the Bank. The participants are given training and coaching to help them identify, strengthen and develop their motives, skills and potential. IKB encourages them to set ambitious goals and actively supports their individual career planning. Additional female appraisers take part in the annual talent review meetings and in all assessment and development centres. In addition, the focus is put on individual development each year in the mid-year interviews. The aim of the interviews is to ensure transparency about any development opportunities for all employees, to agree appropriate measures in individual development plans.

IKB Deutsche Industriebank AG's ICF Equal Opportunities for Women Initiative (*ICF Initiative Chancengleichheit für Frauen*) was founded in 2014. The initiative's aims include:

- Creating career opportunities for women where they have equal professional expertise
- Strengthening the visibility of women with leadership potential and key personnel who are female
- Providing impetus for personal development
- Promoting a culture of diversity at management level and among specialists

In addition, the Bank is involved in the Women into Leadership e.V. initiative and regularly participates in the herCAREER career fair.

Another focus regarding the integration of diversity and inclusion in existing HR processes is on a gender-neutral remuneration system. As a credit institution, IKB is subject to the requirements of the German Remuneration Ordinance for Institutions (InstitutsVergV), which, for example, regulates the appropriateness of remuneration and remuneration systems. These are considered to be appropriately designed if they are gender neutral, with the result that any pay disadvantage due to gender is excluded for equal work or work of equal value (section 5 (1) InstitutsVergV). A Group wide remuneration strategy has been created in accordance with the provisions of InstitutsVergV. The appropriateness of IKB's remuneration system is reviewed annually and adjusted if necessary. IKB's remuneration policy is described in the Disclosure Report.

Experience in past years shows that all the aforementioned measures are effective and contribute to strengthening women in management positions. Looking at the last five years, IKB was able to triple the proportion of women at the second management level and achieve a 10% share of women at the first management level.

Percentage of employees per employee category by gender (as of 31 December 2023)

Number	1st management level		2nd management level		Employees	m/f ratio	Total	m/f ratio
		m/f ratio		m/f ratio				
Male	18	90 %	33	73.3 %	322	59.6 %	373	61.7 %
Female	2	10 %	12	26.7 %	218	40.4 %	232	38.3 %
Total	20	100 %	45	100 %	540	100 %	605	100 %

Percentage of employees per employee category by age group (as of 31 December 2023)

Age structure by employee category	Male	Female	Total
1. Management level	18	2	20
31 to 50	6	1	7
51 to 60	10	1	11
Over 60	2	-	2
2. Management level	33	12	45
31 to 50	13	10	23
51 to 60	19	2	21
Over 60	1	-	1
Employees	322	218	540
30 and under	48	23	71
31 to 50	143	105	248
51 to 60	112	80	192
Over 60	19	10	29
Total	373	232	605

IKB is continuously working on increasing the proportion of women in management positions, providing impetus for a cultural change and thus ensuring that gender diversity is embedded at IKB in the long term. [GRI 405-1]

5.2. Social engagement

IKB has a long tradition of awareness of its social responsibility. It believes that “people belong at the centre”. For this reason, the Bank pays particular attention to initiatives that support people in difficult life circumstances and help them manage their daily challenges. Moreover, IKB encourages its staff to get involved in social issues. One way of doing this is with the “Rest-Cent” campaign. Employees donate the last cents, euros or also one-off amounts from their net salary for charitable causes. IKB doubles the total amount at the end of each financial year, and it is then donated directly to charitable initiatives. In addition, IKB considers Düsseldorf initiatives for education, for eliminating social injustices and for human rights. Donations are also made to the DKMS German Bone Marrow Donor File (*DKMS-Knochenmarkspenderdatei*), an international non-profit organisation dedicated to combating blood cancer.

At the start of 2024, IKB Deutsche Industriebank AG donated EUR 25,000 for the purpose of climate change adaptation to the federal state capital of Düsseldorf on the occasion of IKB’s 100th anniversary. The city is using the donation for trees and bushes to create a new stretch of woodland of around 2.5 hectares at the edge of the Rotthäuser Bachtal nature reserve in the area surrounding Düsseldorf. The expansion of the forest is part of the “*Düsseldorf pflanzt Zukunft*” (Düsseldorf plants the future) planning concept for more trees in the federal state capital. By creating the forest, the city of Düsseldorf will be gaining a large woodland area with 9,500 new trees and bushes. It is planting a mixed forest with a wide range of climate-adapted tree species consisting of common oak, common hornbeam, common beech, sweet cherry, sorb tree, pussy willow, small-leaved elm and rowan. The new area of woodland adds to and extends an old beech forest in the Rotthäuser Bachtal nature reserve.

IKB continuously analyses the current humanitarian situation and makes ad hoc donations when social groups, countries or regions face an emergency.

6. Operational ecology

IKB is aware of climate change and the resulting global consequences for the environment, society and the economy. The Bank sees reducing global warming and adapting to the consequences that have already occurred as a major social challenge. It has therefore developed measures and set objectives that will reduce effects on the climate and the environment as far as possible. For IKB, this corporate environmental protection means using resources mindfully and efficiently. [GRI 3-3 a, b]

6.1 IKB's climate strategy

As part of its climate strategy, IKB has set itself the goal of further reducing greenhouse gas emissions (GHG emissions) that result from its own business operations. IKB uses the internationally recognised VfU indicator system to draw up its greenhouse gas footprint and publishes it annually in its non-financial reporting. The emissions are calculated as CO₂ equivalents. Responsibilities for implementation and tracking have been defined in the organisational structure. [GRI 3-3 c] [GRI 305-1]

2019 is used as the baseline because this was the first year for which IKB calculated and reported its operational emissions using the VfU indicator system. Since then, various measures have been identified and implemented that led to a significant reduction in operational GHG emissions of around 59% in the period from 2019 to 2022. The original goal was to reduce its own GHG emissions by a further 15 to 25% by the end of 2025 compared with the 2021 reporting year. [GRI 3-3 c] [GRI 305-1]

In the last few years, IKB has gradually implemented an open office strategy at its branches and is convinced that a variable and open floor space strategy will make communication culture and collaboration in the Bank more transparent and flexible. Both the change in the office strategy and also the Covid-19 pandemic, when the option of working from home was massively expanded, were key drivers in reducing rented floor space by around 40% in the years 2019 to 2021. Due to good experience and positive feedback from employees on working from home, the Bank reduced its rented space by a further approximately 23% in 2022. [GRI 3-3 d]

IKB is the tenant and not the owner of its branches. A large proportion of the electricity consumption in the branches is already sourced from renewables. In the next few years, this is to be further expanded both for the rented space and for purchased external services. The central external IT service providers switched to renewable energy in 2022. [GRI 3-3 d]

For business trips, IKB favours rail travel as the preferred means of transport. Business travel by air is intentionally minimised. As a result of the reduction in business travel and the switch from face-to-face to online or hybrid events, the Bank significantly reduced the resulting emissions from business travel in 2020 and 2021. The end of pandemic-related restrictions meant that emissions in this area rose again in 2022 as expected. IKB is attempting to counteract this effect by, for example, accelerating the conversion of the vehicle fleet to electric vehicles through the company car policy. Furthermore, IKB actively supports the installation of new charging stations in the rented space. At the same time, the Bank plans to introduce the Jobbike scheme in 2024 in response to an employee survey and in this way strengthen its position as a bike-friendly employer. [GRI 3-3 d]

These measures reduced IKB's overall GHG emissions to 1,079 t CO₂e in 2022 and thus by around 29% compared with the 2021 reporting year. This means that short-term goals for reducing internal GHG emissions were achieved early. IKB plans to set itself new longer-term goals in this area. [GRI 305-4]

In this way, IKB is making its contribution to climate change mitigation and will continue to view the further reduction of operational emissions as a key part of its sustainability strategy in the future and work towards a sustainable future by taking this path.

6.2 Corporate environmental management

IKB uses the internationally recognised VfU indicator system to draw up its greenhouse gas footprint. The tool provided by the Association for Environmental Management and Sustainability in Financial Institutions (*Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. – VfU*) is an established, internationally used standard tool for calculating environmental indicators for financial service providers. The VfU indicator calculation tool enables consumption to be recorded and indicators based on this to be calculated in the areas of energy, water, waste, paper, mobility and GHG emissions. The tool was created in interdisciplinary working groups consisting of members of German and international financial institutions and accordingly takes account of financial institutions' special needs. In addition, it is guided by international requirements and climate reporting such as the Greenhouse Gas (GHG) Protocol and evaluates these in accordance with the evaluation scheme from GRI (German Sustainability Code) and CDO. IKB recorded its operational emissions for the first time for 2019. [GRI 3-3 c] [GRI 305-5]

The Bank used the data available to it for direct emissions (Scope 1) and indirect emissions (Scope 2) for recording its GHG emissions. Scope 3 covers other indirect emissions in the upstream and downstream value chain. At IKB, this includes business travel, but also paper and water consumption and waste. Furthermore, electricity consumption by the central external IT service provider and for work from home was included. [GRI 3-3 c]

Energy

IKB's total energy consumption (electricity, district heating and fuel) amounted to 3.4 million kWh in the 2022 financial year. [GRI 302-1]

The consumption of electricity and district heating in the buildings fell again in 2022 to 2.5 million kWh. IKB is a tenant at all its sites, which means that its influence on the energy mix used in the buildings is limited in some cases. In order to gradually switch the proportion of energy consumed in the space it rents to renewable energy, IKB is in discussions with its landlords and is trying to actively influence this. [GRI 3-3 d] [GRI 302-1]

In order to pursue a continuous reduction of electricity and heating requirements, various measures for saving energy have been implemented in the past: timer switches for and automation of external sun protection on the exterior façade, introduction of LED lighting, motion detectors for the lighting in the office etc. [GRI 3-3 d]

The remaining energy consumption (fuel etc.) has risen again due to pandemic-related restrictions being lifted in 2022 and was 867,410 kWh in 2022. [GRI 302-1]

IKB intends to continue to reduce energy consumption at all the sites in the future. In order to achieve this goal, saving potential and measures are continuously reviewed for feasibility and effectiveness and implemented. [GRI 3-3 e, f]

Energy consumption

	2022	2021	2020	2019
Total energy consumption in kWh	1,656,467	1,861,374	2,117,878	2,782,508
Energy consumption in kWh/employee	3,007	3,398	3,643	4,424
Total heat consumption in kWh	859,093	1,267,278	1,742,257	2,680,297
Heat consumption in kWh/employee	1,559	2,314	2,997	4,261
Other energy consumption (fuel etc.) in kWh	867,410	549,152	647,747	1,521,080
Fuel consumption in kWh/employee	1,575	1,003	1,114	2,418

Emissions

IKB used the data available to it for direct emissions (Scope 1) and indirect emissions (Scope 2) for recording its GHG emissions. In the case of Scope 3 emissions, the emissions from the upstream value chain have been recorded so far. The emissions financed by the financial product are not recorded in the quantitative data on Scope 3. In future, IKB plans to also record the emissions it finances (“Scope 3.15 – Downstream”) as part of its greenhouse gas footprint.

Emissions from sources that are directly owned by IKB or within its scope of influence (electricity production from its own CHP, consumption of fossil fuels in its own building and business travel) were recorded as Scope 1 emissions. In 2022, IKB caused Scope 1 emissions amounting to 500 t CO₂e (46.32%). Energy indirect GHG emissions (electricity and district heating) are recorded as Scope 2 emissions. These amounted to 164 t CO₂e (15.21%) in 2022. IKB’s Scope 3 emissions consist of the indirect emissions from IKB’s upstream value chain. These include indirect emissions from the areas of the preliminary stages of energy consumption, such as in the case of electricity (including consumption from working from home and data centres) or heating, business travel, paper, water, waste and consumption by the central external IT service provider. The switch to renewable energy by the central external IT service provider in 2022 led to a significant reduction of IKB’s Scope 3 emissions attributable to electricity consumption. [GRI 305-1] [GRI 305-2] [GRI 305-3]

Overall, IKB’s GHG emissions in 2022 amounted to 1,079 t CO₂e, which equates to greenhouse gas intensity of 1,959 kg CO₂e/employee. Since they were first recorded in the base year (2019), emissions have thus been reduced by around 59%. [GRI 305-4] [GRI 305-5] IKB has set itself ambitious goals for further reducing the CO₂ emissions resulting from its business operations. In order to achieve this goal, the Bank continuously analyses saving potential and derives implementation measures from this. [GRI 305-5]

CO₂ emissions/intensity

	2022	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Direct GHG emissions in t CO₂e (Scope 1)	500	551	722	1,230
Electricity consumption (from own CHP plant)	53	89	116	178
Consumption of fossil fuels in the buildings	191	301	416	604
Fuel consumption (petrol)	257	161	190	447
Energy indirect GHG emissions – market-based in t CO₂e (Scope 2)	164	144	167	166
Electricity consumption (market-based)	133	120	137	101
District heating	28	22	28	64
Transport	3	2	2	1
Other indirect GHG emissions in t CO₂e (Scope 3)	415	836	889	1,212
Electricity (including home-office consumption)	130	594	569	563
Heating	64	95	131	196
Transport	194	116	146	374
Paper	3	3	5	11
Water	0	1	3	7
Waste	23	27	35	61
Total GHG emissions in t CO₂e (market-based)	1,079	1,531	1,778	2,608
GHG emissions intensity in kg CO₂-e/employee	1,959	2,795	3,059	4,146

1) Differences in the GHG emissions compared with the previous year's reporting are due to adjustments of the calculation methods and updating of the GHG emission factors.

Waste

IKB's waste amounted to 46 t in 2022 and has thus fallen again. The waste generated per employee was 83 kg/employee in 2022. For further waste separation, bins for organic waste, packaging and non-recyclable waste are provided at central points at all IKB sites for waste separation in accordance with legal requirements. Where possible, recyclable materials are recycled. [GRI 306-3]

Waste generated

	2022	2021	2020	2019
Waste generated in t	46	69	103	167
Recyclable materials separated and recycled	1	16	35	51
Waste incinerated	45	53	67	117
Waste generated in kg/employee	83	126	177	266

Paper

IKB's paper consumption was 3.18 t in 2022, which is equivalent to paper consumption per employee of 5.76 kg/employee. The decrease was due to progress made on the digitalisation of processes and the introduction of electronic signatures, which have replaced the use of paper documents in large parts of IKB's business processes. The Bank uses climate-neutral copier and printer paper for its copiers. IKB has also set itself the target of further reducing its paper consumption in the future.

IKB wants to further reduce paper consumption in the next few years by raising employees' awareness of a prudent approach to paper consumption and systematically advancing its digitalisation strategy. [GRI 301-1]

Paper consumption

	2022	2021	2020	2019
Paper consumption in t	3.18	3.53	5.80	11.6
Paper consumption in kg/employee	5.76	6.45	9.98	18.52

Water and waste water

In 2022, IKB's water consumption totalled 613 m³ (1.15 m³/employee). The water consumption is predominantly due to the sanitary facilities at the sites, which can be equated with domestic waste water. The waste water is neither recovered nor reused. The waste water is returned to the water cycle through the local water companies' sewage pipes. IKB does not have any significant effect on the environment from water consumption as a result of its business operations. Nevertheless, IKB is endeavouring to further reduce its water consumption. [GRI 303-5]

Water consumption

	2022	2021	2020	2019
Water consumption in m ³	631	1,333	4,629	12,098
Water consumption in m ³ /employee	1.15	2.43	7.96	19.23

7. Responsible corporate governance

Criminal offences such as corruption and money laundering lead to distortions of competition, destabilise the rule of law and threaten democratic forms of society. [GRI 3-3 a, b]

7.1 Prevention of criminal offences

IKB supports international efforts to combat money laundering, terrorist financing and criminal offences.

IKB is aware of its responsibility and consistently opposes all forms of criminal offence – particularly fraud, embezzlement, bribery and corruption – with the aim of effectively combating these. [GRI 3-3 c]

In accordance with section 25h of the German Banking Act (KWG), the central office has responsibility for combating criminal offences. The central office advises and supports senior management with regard to compliance with statutory requirements on the prevention of criminal offences. IKB has taken the following measures to reduce the risk of money laundering, terrorist financing and criminal offences as far as possible:

- Preventive security measures
- Downstream control measures
- Transparency and business practices to avoid conflicts of interest
- Training for employees
- Principles for the acceptance or granting of benefits
- Whistleblower system for reporting possible breaches of the law

Special care must be taken when dealing with holders of public office to avoid the appearance of active or passive corruption. IKB employees are not permitted to grant benefits to or give invitations to holders of public office. [GRI 3-3 d] [GRI 205-2]

Preventive measures for the prevention of money laundering and criminal offences

In order to raise employees' awareness, the central office ensures that all employees are familiarised with the principles and measures for the prevention of money laundering/terrorist financing and criminal offences at the start of their employment. In addition to the initial training, all employees are trained by means of an e-learning module at intervals of 2 to 3 years. Ad hoc measures for raising awareness are also implemented as required.

The reliability of employees at the start of and during their employment is also ensured by the anti-money laundering officer (AMLO) and the central office. The central office is included in the service provider management and risk analysis of material outsourced activities.

The central office must be involved in the Bank's key change processes:

- new business process (NBP),
- modifications of operational processes or structures (MaRisk AT 8.2),
- project portfolio management, and
- process management.

The central office takes part in the annual risk inventory. The results of the risk inventory are taken into account in the risk analysis.

The central office is consulted in all suspected cases of data misuse or loss of sensitive data. It is also consulted in suspected cases of CEO fraud or other forms of criminal offence. Reports are made to the competent police authorities where necessary.

Security and control measures

IKB has established the proven three-lines-of-defence model as the basis for monitoring risk management.

The operational (business) divisions form the 1st line of defence. As the process owners, they are responsible for the early identification, assessment, management and oversight of the risks resulting from day-to-day business.

The 2nd line of defence comprises various control functions (e.g. money laundering prevention/central office, Compliance, CISO) and is responsible for the overall framework for the internal control system and the overall risk assessment for non-financial risks. These control functions define Group-wide standards that are subject to independent controls and risk assessments at the 2nd level.

The 3rd line of defence is Internal Audit. As an objective and independent audit and advisory body, it audits both the operating business (1st line of defence) and the oversight bodies (2nd line of defence). [GRI 3-3 e, f]

Regular and ad hoc audits of possible corruption risks are continuously conducted at all sites. No significant corruption risks were identified in the reporting period. IKB deliberately refrains from exerting political influence in the form of donations to political parties in order to prevent any conflict of interest in relation to the public programme loans business and participation in public loan programmes. [GRI 205-1] [GRI 205-3] [GRI 415-1]

The internal security measures that serve to prevent money laundering/terrorist financing and criminal offences in particular concern business- and customer-related security systems, the appropriateness and effectiveness of which is regularly audited. The audit measures may lead to the expansion or improvement of existing processes and measures where necessary. Follow-up action may include:

- Strengthening security measures and controls for the prevention of money laundering/terrorist financing and offences
- Introducing additional control measures/separation of functions
- Implementing technical support measures for the purpose of prevention
- Excluding risks, for example by not concluding contracts/transactions
- Reducing risks, e.g. by optimising the customer acceptance process, and compliance with the KYE principle and supplier due diligence [GRI 3-3 d]

Conflicts of interest that could influence IKB's business relationships with customers, business partners or public sector bodies are to be avoided. IKB wants to act in the best interests of its customers and at the same time protect the interests of the Bank. Business conflicts of interest may arise both in the relationship between the Bank and its customers and between the Bank's customers. Personal conflicts of interest may arise between employees and the Bank and between employees and customers. Family interests must not influence IKB's business decisions. Similarly, information about customers or the Bank that has not been made public must not be used for the personal benefit of the employee or third parties, e.g. for securities transactions or other economic activities such as the exercise of a mandate. In the event of potential conflicts of interest, the next steps must be agreed with the compliance function. To avoid business

conflicts of interest, incompatible activities (e.g. front office and back office) are carried out by different employees. In order to avoid personal conflicts of interest, quantitative employee targets are agreed in such a way that they do not create any product-related perverse incentives. In general, targets are set for employees in such a way that customer and investor protection is ensured and personal conflicts of interest in relation to the bank or its customers are avoided. The approval of the Human Resources department must be obtained before taking up secondary employment or accepting a mandate in another company. In case of potential conflicts of interest, the HR department shall involve the compliance function in the review. IKB's compliance function regularly trains all relevant employees of the Bank on the management of conflicts of interest. [GRI 2-15]

Sanctions

IKB has a zero-tolerance policy regarding internal and external criminal offences. It responds appropriately to all (resolved) issues. This includes reviewing measures under labour but also criminal law, e.g. reporting an offence or requesting a prosecution in accordance with section 158 of the German Code of Criminal Procedure (StPO). Further measures include terminating business relationships and other contracts; warning, transferring or dismissing employees and the systematic pursuit of civil law claims to reduce damage. [GRI 3-3 d]

Breaches of internal guidelines or statutory requirements in the Group are penalised as consistently as possible. If necessary, the Compliance department is consulted for an evaluation in the event of breaches. [GRI 3-3 d]

Reporting

All relevant organisational units (branches, divisions, staff departments, subsidiaries) are required to report fraud cases to the central office immediately. The central office reports the following points to the Board of Managing Directors in an annual report:

- the cases of criminal offences reported during the year,
- the nature and volume of other internal reports, and
- the results of the monitoring measures undertaken by the central office
- and makes an overall assessment.

The central office reports directly to the competent member of the Board of Managing Directors each quarter and on an ad hoc basis. On request, it also reports to the Board of Managing Directors as a whole.

Indications of money laundering and documentation obligations

Pursuant to section 261 of the German Criminal Code, it is a criminal offence to hide illegally acquired assets, to hide or conceal their origin or to prevent or jeopardise their seizure. This includes the procurement, storage or use of such assets for yourself or third parties. These assets can come not only from clearly illegal sources (such as drug dealing, arms dealing or corruption) but also from supposedly legal sectors with untransparent profit margins (e.g. the international art trade, import/export, auction houses, gaming, catering and the hotel industry). Real estate transactions and the sale of companies or shares may also be carried out for money-laundering purposes.

In light of this, IKB has implemented principles for identifying and preventing suspicious activities relating to money laundering and terrorist financing.

All IKB employees are required to comply with the legal requirements and IKB's internal guidelines, processes and principles for combating money laundering and terrorist financing. Employees are encouraged to report any abnormalities.

The requirements of the Foreign Trade and Payments Act, the Foreign Trade and Payments Ordinance, the EU regulations and applicable US regulations are taken into account for compliance with the relevant sanctions and embargo rules in the customer business and before processing transactions.

If business relationships are associated with increased or high risks, enhanced due diligence measures are additionally applied where the business relationship is entered into.

Sectors with increased risks are typically cash intensive, have a high number of transactions and/or are susceptible to corruption.

IKB assesses the construction industry (civil engineering), the automotive trade, the food service industry and gambling and betting activities as having a high risk of money laundering. Customers that operate a business with low transparency (e.g. with regard to pricing and market conformity) or carry out trust transactions also represent a potentially increased risk. The Bank only has very selective exposures here.

Increased risks may exist for customers, investment companies or economic beneficiaries domiciled in a third country outside the EU (except for the UK and Switzerland) and in Malta or Cyprus.

Procedure when the customer does not cooperate with meeting the customer-related due diligence obligations, review of the termination obligation

Contractual partners are required by law to ensure that the Bank has all the information and documents needed to meet its due diligence obligations. If contractual partners do not cooperate sufficiently, the Bank reserves the right to terminate the business relationship, not to conclude any new business or to refuse transactions.

Entering into or continuing correspondence or other business relationships with shell banks and setting up or maintaining payable-through accounts is prohibited. A shell bank is an institution that was founded in a country in which it is not physically present and does not belong to any supervised financial group.

It goes without saying that IKB complies with legal and regulatory requirements. There were no violations of laws or regulations in connection with money laundering/terrorist financing or criminal offences that resulted in IKB being fined in the reporting period. [GRI 2-27]

7.2. Protection of bank-related and personal data

Information security

IKB's information security management system (ISMS) in accordance with ISO 27001 is the foundation of the information security organisation. This management approach ensures the confidentiality, integrity and availability of the data entrusted to IKB and ensures compliance with regulatory requirements such as the minimum requirements for risk management (MaRisk) and the German Supervisory Requirements for IT in Financial Institutions (*Bankaufsichtliche Anforderungen an die IT – BAIT*). The responsibilities are defined through the ISMS, and clear roles and guidelines are laid down specifying the conduct, processes and obligations for ensuring that information security is ensured at all levels of the organisation. At IKB AG, the Chief Information Security Officer (CISO), as an independent entity of the second line of defence, reports directly to the CEO and is responsible for the operational management and development of the information security management system. The CISO works in close cooperation with IKB AG's data protection officer. [GRI 3-3 c]

Various measures have been taken to prevent or mitigate potential adverse impacts on information security. These include training and raising the awareness of IKB AG employees and service providers, technical security precautions

and regular checks and audits of the controls implemented. These measures ensure that information security remains at a high level and potential risks can be identified and addressed at an early stage. [GRI 3-3 d]

IKB AG additionally continuously monitors the effectiveness of the information security measures specified. To this end, processes for tracking effectiveness are used, including monitoring KPIs and assessing progress compared with the goals and targets set. The insights gained are taken into account in IKB's operational security strategy and processes. Stakeholder groups affected are also included in order to ensure that the measures live up to all relevant stakeholders' requirements and expectations. [GRI 3-3 e, f]

Data protection

Two different perspectives need to be taken into account with regard to data protection:

- personal data of employees, retail customers and private individuals in corporate customers,
- corporate data in the sense of trade and business secrets.

If a bank does not protect personal data, this can have serious consequences for society. Customers entrust the Bank with their personal information, such as their account data and personal identification numbers. If this data gets into the wrong hands, criminals may use it for fraudulent activities, such as identity theft or financial fraud. This might not only lead to financial losses for customers but also to a loss of trust in the Bank and the banking system as a whole.

The protection of business data such as trade and business secrets is of decisive importance for a company's success. If a bank does not protect business data, this can have serious consequences for the business. Trade and business secrets are often the result of years of research and development and can be of considerable value to the business. If this information gets into the wrong hands, competitors may use it to damage the company or gain a competitive edge.

IKB has also set itself the target of ensuring the protection of the fundamental and personal rights of its customers and their employees. As a responsible company, IKB is conscious of its social responsibility and does its utmost to strengthen its customers and employees' trust in its handling of personal data. The Bank is subject to banking secrecy and is conscious of the confidentiality of the data entrusted to it. It wants to be a trustworthy partner in matters of data protection and is committed to ensuring that the data of its customers and employees is secure and protected. The Bank is aware that the protection of personal data and trade and business secrets is of decisive importance for the company's success and does its utmost to take appropriate security measures to protect this data. [GRI 3-3 c]

IKB's principles of data protection reflect the principles of data protection pursuant to Article 5 of the General Data Protection Regulation (GDPR): lawfulness, fairness, transparency, purpose limitation, data minimisation, data accuracy, storage limitation, integrity and confidentiality of personal data.

A data protection officer and deputy have been appointed at IKB for the organisation of data protection in accordance with data protection regulations. In accordance with the requirements of the GDPR, the data protection officer is not bound by instructions. The officer is supported on legal issues by the Governance and Legal division. Pursuant to Article 39 of the GDPR, the data protection officer has at least the following tasks:

- to inform and advise the controller or the processor and the employees who carry out processing of their obligations pursuant to the GDPR and to other Union or Member State data protection provisions,
- to monitor compliance with the GDPR, with other European Union or Member State data protection provisions and with the policies of the controller or processor in relation to the protection of personal data, including the assignment of responsibilities, awareness-raising and training of staff involved in processing operations, and the related audits,

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- to provide advice where requested as regards the data protection impact assessment and monitor its performance pursuant to Article 35 of the GDPR,
- to cooperate with the supervisory authority,
- to act as the contact point for the supervisory authority on issues relating to processing, including the prior consultation referred to in Article 36 of the GDPR, and to consult, where appropriate, with regard to any other matter.

IKB has set up a data protection commission. Two members of the Düsseldorf works council are represented in the Data Protection Commission. Meetings of the Data Protection Commission take place every three months. The Data Protection Commission's tasks include:

- Prevention of unauthorised processing of personalised data
- Protection of system administrators
- Detection of misuse of the IT systems

IKB's employees are regularly familiarised with the current data protection provisions so that they can comply with the applicable data protection provisions in connection with their work. IKB uses a web-based training tool with a mandatory final test for the training. New employees at all sites must complete this training promptly at the start of their employment. Follow-up training must be completed every two years.

IKB's internal guidelines are documented as processes in the Bank's process map.

In accordance with the requirements of the GDPR, information is also provided on processing personal data in the privacy notices on IKB's website.

Data protection incidents in which, for example, a breach of the protection of personal data may have occurred must be reported to the IKB data protection resource, a central collective mailbox that employees have been made aware of. If necessary, as a result of the risk assessment of an incident, the data protection supervisory authority and, if applicable, the data subjects will be informed in accordance with the requirements of the GDPR. [GRI 3-3 d] [GRI 3-3 e, f]

There were no data protection breaches reportable to the data protection supervisory authority at IKB in the 2023 financial year. [GRI 418-1]

8. Outlook

IKB will continue to drive forward its sustainability agenda in the key areas in the 2024 financial year. This includes the further optimisation of the product-specific alignment, accompanied by comprehensive training measures. At the same time, work is being done to improve ESG analyses in the lending process, in particular with regard to ESG risks, to keep the ESG impact on the loan portfolio as low as possible. In addition, ESG targets are gradually being agreed with employees at all levels of the organisation in order to make the topic of ESG measurable and further raise awareness of ESG aspects. Another review of the ESG rating by rating agency ISS ESG is planned for towards the end of 2024, with the aim of improving the rating. With regard to its financial reporting, the Bank is endeavouring to implement the CSRD requirements. Further IT implementations, particularly with regard to CSRD requirements and a holistic ESG integration are gradually being rolled out. In the face of the rapidly changing market environment and growing demand for transformation finance, IKB is supporting its customers with tailored financing for their sustainable investment projects, particularly for projects to reduce greenhouse gas emissions and increase energy efficiency. IKB relies on Bank-wide ESG expert teams and external support for the implementation of ambitious projects and increasing regulatory requirements.

9. Reporting in accordance with the GRI Standards

IKB has reported on the information for the period from 1 January 2023 to 31 December 2023 that is provided in this GRI Index with reference to the GRI Standards.

GRI Standard/Other source	Disclo- sure		Reference
Introduction			
Standards and guidelines applied			
GRI 2: General Disclosures 2023	2-2	Entities included in the organization's sustainability reporting	p. 5
	2-3	Reporting period, frequency and contact point	p. 5
	2-4	Restatements of information	p. 5
	2-5	External assurance	p. 5
	2-14	Role of the highest governance body in sustainability reporting	p. 5
Profile of the organisation			
Presentation of the organisation			
GRI 2: General Disclosures 2023	2-1	Organizational details	p. 6
Products, markets and customers			
GRI 2: General Disclosures 2023	2-6	Activities, value chain and other business relationships	p. 6, p. 7
Organisation structure			
GRI 2: General Disclosures 2023	2-9	Governance structure and composition	p. 7, p. 8
	2-10	Nomination and selection of the highest governance body	p. 8
	2-11	Chair of the highest governance body	p. 8
	2-12	Role of the highest governance body in overseeing the manage- ment of impacts	p. 9
	2-18	Evaluation of the performance of the highest governance body	p. 9
	2-19	Remuneration policies	p. 9, p. 10
	2-20	Process to determine remuneration	p. 10
2-21	Annual total compensation ratio	p. 10	
Stakeholder communication			
GRI 2: General Disclosures 2023	2-29	Approach to stakeholder engagement	p. 10

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G4 Sector Disclosures – Financial Services (Product Portfolio)	FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	p. 10
Sustainability strategy and management			
Sustainability strategy			
GRI 2: General Disclosures 2023	2-22	Statement on sustainable development strategy	p. 11, p. 12
	2-24	Embedding policy commitments	p. 11
Sustainability management			
GRI 2: General Disclosures 2023	2-13	Delegation of responsibility for managing impacts	p. 12
	2-16	Communication of critical concerns	p. 13
	2-25	Processes to remediate negative impacts	p. 12, p. 13
	2-26	Mechanisms for seeking advice and raising concerns	p. 13
Memberships			
GRI 2: General Disclosures 2023	2-23	Policy commitments	p. 13, p. 14
	2-28	Membership associations	p. 13, p. 14
Materiality analysis procedure			
GRI 3: Material Topics 2023	3-1	Process to determine material topics	p. 14, p. 15
	3-2	List of material topics	p. 15
ESG in the product portfolio			
Sustainability-related lending standards			
GRI 3: Material Topics 2023	3-3 a, b	Impacts on the environment and society	p. 17, p. 18
	3-3 c	Management approach	p. 19
	3-3 d	Measures to deal with the impacts	p. 18
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	p. 17
G4 Sector Disclosures – Financial Services (Product Portfolio)	FS1	Policies with specific environmental and social components applied to business lines	p. 17, p. 18
	FS2	Procedures for assessing and screening environmental and social risks in business lines	p. 18, p. 19
	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	p. 19
Business segments and their ESG effect			
GRI 3: Material Topics 2023	3-3 c	Management approach	p. 19
	3-3 d	Measures to deal with the impacts	p. 20

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	3-3 e, f	Monitoring and evaluation of performance	p. 20
G4 Sector Disclosures – Financial Services (Product Portfolio)	FS1	Policies with specific environmental and social components applied to business lines	p. 19
G4 Sector Disclosures – Financial Services (Sector specific Indicators located under sector specific Aspects)	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	p. 20, p. 21
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	p. 20
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	p. 20
G4 Sector Disclosures – Financial Services (Product and Service Labeling)	FS16	Initiatives to enhance financial literacy by type of beneficiary	p. 20

Social responsibility

Talented employees are IKB's capital

GRI 2: General Disclosures 2023	2-7	Employees	p. 29, p. 30
	2-8	Workers who are not employees	p. 30
	2-17	Collective knowledge of the highest governance body	p. 29
	2-30	Collective bargaining agreements	p. 30
GRI 3: Material Topics 2023	3-3 a, b	Impacts on the environment and society	p. 29
	3-3 c	Management approach	p. 29
	3-3 d	Measures to deal with the impacts	p. 29
	3-3 e, f	Monitoring and evaluation of performance	p. 29
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	p. 30
	401-3	Parental leave	p. 31
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	p. 34
	403-3	Occupational health services	p. 33
	403-5	Worker training on occupational health and safety	p. 34
	403-6	Promotion of worker health	p. 34, p. 35
	403-9	Work-related injuries	p. 33
	403-10	Work-related ill health	p. 33
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	p. 35
	404-3	Percentage of employees receiving regular performance and career development reviews	p. 36

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GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	p. 37, p. 38
G4 Sector Disclosures – Financial Services (Product Portfolio)	FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	p. 29
Operational ecology			
GRI 3: Material Topics 2023	3-3 a, b	Impacts on the environment and society	p. 40
IKB's climate strategy			
GRI 3: Material Topics 2023	3-3 c	Management approach	p. 40
	3-3 d	Measures to deal with the impacts	p. 40
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p. 40
	305-4	GHG emissions intensity	p. 40
Corporate environmental management			
GRI 3: Material Topics 2023	3-3 c	Management approach	p. 41
	3-3 d	Measures to deal with the impacts	p. 41
	3-3 e, f	Monitoring and evaluation of performance	p. 41
GRI 301: Materials 2016	301-1	Materials used by weight or volume	p. 44
GRI 302: Energy 2016	302-1	Energy consumption within the organization	p. 41
GRI 303: Water and Effluents 2018	303-5	Water consumption	p. 44
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p. 42
	305-2	Energy indirect (Scope 2) GHG emissions	p. 42
	305-3	Other indirect (Scope3) GHG emissions	p. 42
	305-4	GHG emissions intensity	p. 42
	305-5	Reduction of GHG emissions	p. 41, p. 42
GRI 306: Waste 2020	306-3	Waste generated	p. 43
Responsible corporate governance			
GRI 3: Material Topics 2023	3-3 a, b	Impacts on the environment and society	p. 45
GRI 2: General Disclosures 2023	2-15	Conflicts of interest	p. 47
GRI 2: General Disclosures 2023	2-27	Compliance with laws and regulations	p. 48
GRI 3: Material Topics 2023	3-3 c	Management approach	p. 45
	3-3 d	Measures to deal with the impacts	p. 45, p. 46, p. 47
	3-3 e, f	Monitoring and evaluation of performance	p. 46
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	p. 46

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	205-2	Communication and training about anti-corruption policies and procedures	p. 45
	205-3	Confirmed incidents of corruption and actions taken	p. 46
GRI 415: Public Policy 2016	415-1	Political contributions	p. 46
Protection of bank-related and personal data			
GRI 3: Material Topics 2023	3-3 c	Management approach	p. 48, p. 49
	3-3 d	Measures to deal with the impacts	p. 49, p. 50
	3-3 e, f	Monitoring and evaluation of performance	p. 49, p.50
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 50

10. Appendix

10.1 Abbreviations

AGV Banken	Arbeitgeberverband des privaten Bankgewerbes e. V. (Association of Employers in Private Banking)
AGG	German General Equal Treatment Act
AktG	German Stock Corporation Act
AMLO	anti-money laundering officer
ArbSchG	German Safety and Health at Work Act
ASiG	German Act on Occupational Physicians, Safety Engineers and Other Occupational Safety Specialists
BaFin	German Federal Financial Supervisory Authority
BdB	Association of German Banks
BEEG	German Parental Allowance and Parental Leave Act
BWE	Bundesverband Windenergie e.V. (German Wind Energy Association)
CDD	customer due diligence
CEO	chief executive officer
CHM	Company health management
CHP	combined heat and power
CISO	chief information security officer
CO ₂	carbon dioxide
CO ₂ e	carbon dioxide equivalent
CSRD	Corporate Sustainability Reporting Directive
CSR-RUG	German CSR Directive Implementation Act
DelReg	Delegated Regulation (EU)
DKMS	German Bone Marrow Donor File
DNSH	do no significant harm
DORA	Digital Operational Resilience Act
DrittelbG	German One-Third Participation Act
e.g.	for example
EMS	electrical muscle stimulation
ESG	environmental, social and governance
ESM	European Stability Mechanism
etc.	et cetera
EU	European Union
FinRep	Financial Reporting

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FOM	University of Applied Sciences for Economics and Management
FS	Financial Services Sector Disclosures
GAR	green asset ratio
GDPR	General Data Protection Regulation
GHG	greenhouse gas
GHG Protocol	Greenhouse Gas Protocol
GLP	Green Loan Principles
GRI	(Reporting Standard of the) Global Reporting Initiative
HGB	German Commercial Code
IBE	Institute for Employment and Employability
ICF	ICF Equal Opportunities for Women Initiative
i.e.	that is
IKB	Synonym for the Group
IKB	Synonym for the individual company
ILO	International Labour Organization
InstitutsVergV	German Remuneration Ordinance
ISMS	information security management system
IT	information technology
IWiL	Initiative Women into Leadership e.V.
KAGB	German Investment Code
KfW	KfW Group
kg/employee	kilograms/employee
KPI	Key Performance Indicator
KSG	German Federal Climate Change Act
KWG	German Banking Act
kWh	kilowatt hours
KYC	know your customer
KYE	know your employee
LED	light emitting diode
LMA	Loan Market Association
m ³	cubic metres
m/f	male/female
MaRisk	German minimum requirements for risk management
NBP	new business process
NFRD	Non-Financial Reporting Directive
OECD	Organisation for Economic Co-Operation and Development

PIE	public-interest entity
SDG	Sustainable Development Goals
SLLP	Sustainability-Linked Loan Principles
StPO	German Code of Criminal Procedure
t	tonne
UN PRB	United Nations Principles for Responsible Banking
UNEP FI	United Nations Environmental Programme Finance Initiative
VfU	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (Association for Environmental Management and Sustainability in Financial Institutions)
ZAG	German Payment Services Supervision Act

10.2 Principles of Responsible Banking (PRB)

Principle	Self-assessment	References
Principle 1: Alignment		
IKB will align its corporate strategy so that it consistently contributes to fulfilling human needs and social objectives – as specified in the SDGs, the Paris Climate Agreement and other relevant national and regional frameworks.		
1.1 Description of the business model	<p>IKB Deutsche Industriebank AG’s business model is focused on the German upper midmarket. This mainly comprises companies with annual revenues of more than €100 million, which are among IKB’s preferred target groups due to their strong equity and liquidity base and the associated low default rates. On average IKB employed around 566 employees (full time equivalents) in 2023 and, with six locations, has a sales network covering all regions of Germany. Its integrated business approach comprising regional sales, sector and product groups aims to ensure solution-oriented, high-quality support for customers. IKB’s customer business focuses on advice on lending and structuring (including capital market products). As a specialist, IKB offers its customers access to public loan programmes. As at the reporting date, 56% of IKB’s loan book was based on public programme loans, most of which are attributable to KfW public programme loans. IKB is active in KfW’s pass-through business and holds significant market shares in various complex public programme loans that also aim to reduce carbon dioxide emissions.</p>	Non-Financial Report 2023 p. 6-7
1.2 Alignment of the business strategy	<p>IKB’s business model is aligned towards generating sustainably positive earnings. In this way, the Bank creates value for its stakeholders, particularly its customers, investors and employees and their families. The topic of sustainability is an integral part of the business and risk strategy in accordance with MaRisk and a strategic objective for the Bank as a whole.</p> <p>IKB considers making a meaningful contribution to the protection of the environment and society and to encouraging the transformation to a sustainable economy to be a core element of its corporate identity. For this reason, doing business sustainably is an important component of corporate strategy, and business activities are assessed for ESG aspects and gradually geared towards this. Both at company level and in its core business, IKB therefore implements targeted measures to achieve its economic, environmental and social objectives. IKB is thus pursuing the aim of playing an active role in the “green transformation” and continuously expanding its range of sustainable products and services.</p> <p>IKB is guided here by international agreements and policies, such as the Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO) and the UN Global Compact.</p>	Non-Financial Report 2023 p. 11-12
Principle 2: Impact and objectives		
IKB endeavours to continually increase the positive impact of its activities while at the same time reducing the negative impacts and risks of activities, products and services for people and the environment. To this end, the Bank defines and publishes appropriate targets that will enable it to achieve the best possible results.		
2.1 Impact analysis	<p>IKB’s impact analysis is currently at an early stage and has not yet been finalised. Nevertheless, measures have been introduced and, in some cases, implemented, including classifying the new business volume into sustainable and</p>	Non-Financial Report 2023 p. 11, 17-19

conventional loans using the IKB Sustainable Finance Framework established in 2023, which was reviewed by the internationally renowned ESG certifier ISS ESG. IKB has also set itself the target of consistently continuing the impact analysis in the coming years.

2.2 Setting targets Because IKB is still at an early stage of the impact analysis, and the final results of the impact analysis will form the basis of its qualitative and quantitative targets, final targets have not yet been set. IKB will, however continue the steps already started in connection with the impact analysis and, building on this, will set ambitious and measurable targets, which it will systematically implement.

2.3 Plan for realising and monitoring targets This sub-principle is currently not yet applicable because the process is still at an early stage.

2.4 Progress with the realisation of targets This sub-principle is currently not yet applicable because the process is still at an early stage.

Principle 3: Customers

When working together with customers, IKB acts responsibly in order to promote sustainable practices and enable economic activities that create prosperity for both present and future generations.

3.1 Involving customers IKB’s day-to-day interactions and collaboration with its customers are based on defined principles and policies that are enshrined in the Bank’s Code of Conduct and practised in the Group. In order to support customers with the transition to a low-emission and environmental economy, the Bank offers a needs-based range of sustainable financing and advisory services.

Non-Financial Report 2023 p. 11, 19-20

IKB developed a Green Loan Framework at the beginning of 2022, thus initially positioning itself in the area of sustainable finance and offering its customers transparency with respect to IKB’s own valuation benchmarks and its understanding of sustainability. To strengthen its plan of supporting its customers with the transition to a more environmentally and/or socially sustainable future, IKB expanded the existing Green Loan Framework to include internally financed loans to companies with the Sustainable Finance Framework, thus providing a holistic view of IKB’s sustainable product positioning.

Both the United Nations Sustainable Development Goals (SDGs) and the European EU Taxonomy Regulation for sustainable activities have been taken into account for the IKB Sustainable Finance Framework.

IKB’s Sustainable Finance Framework is based on various guiding principles in the context of Loan Market Association (LMA) ESG products. In particular, the Green Loan Principles (GLP) and the Sustainability-Linked Loan Principles (SLLP) were used as the basis for this document. The framework has been reviewed by internationally renowned ESG certifier ISS ESG.

3.2 Business opportunities Sustainability is already firmly anchored in IKB’s product range. The IKB Sustainable Finance Framework, which enables a holistic view of IKB’s sustainable product positioning, was established in 2023. As a further lever for the transformation of industry, ESG advisory was introduced as an additional product to complement the existing sustainable product portfolio. It includes supporting the customer with fulfilling regulatory requirements and also awareness workshops. Awareness of sustainable finance is promoted in this way, particularly in combination with IKB’s public programme loans advisory services.

Non-Financial Report 2023 p. 11, 19-20

In 2023, sustainable financial products relating to the IKB Sustainable Finance Framework with a total volume of around €0.9 billion were financed and a total of around €1.7 billion was mobilised.

Principle 4: Stakeholders

IKB consults proactively and responsibly with relevant stakeholders, engages with them and works together with them to achieve social objectives.

4.1 Identification and consultation of stakeholders	IKB's sustainability communication focuses on regular active and continuous stakeholder engagement. The key stakeholder groups for the Bank are its customers, creditors, owners and employees and supervisory authorities, the public, rating agencies and media representatives. The Bank is in regular contact with institutional bond investors via the Investor Relations department in individual meetings and investor calls.	Non-Financial Report 2023 p. 10
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Principle 5: Governance and culture

IKB will fulfil its commitment to the PRB principles through effective governance and a responsible banking culture.

5.1 Governance structure	IKB engages in a strategic, regulatory and product-driven agenda in its ESG strategy. An ESG Steering Committee with the involvement of the full Executive Board manages these issues. The further development of ESG culture within IKB is promoted by, for example, systematised knowledge transfer. Due to the interdisciplinary nature of ESG, large parts of IKB are affected by the topic.	Non-Financial Report 2023 p. 12-13
5.2 Initiatives and measures	<p>IKB is committed to diversity. The framework for this commitment is provided by the signature of the German Diversity Charter or the Principles for Responsible Banking, German laws and the German General Equal Treatment Act or the Code of Conduct.</p> <p>IKB informs its employees about its activities in the areas of protecting the environment and sustainability via various channels, including via the intranet or the Bank's ESG podcast.</p> <p>In addition, experts are trained in sustainable finance, and needs-based basic training courses are offered on a wide range of ESG-related topics. Certificate courses in sustainable finance and a new "management & digitalisation" (FOM) course of studies were introduced for the first time in 2023. The members of the Board of Managing Directors and of the Supervisory Board were internally and externally trained on the topic of ESG.</p> <p>IKB's transformation towards sustainability is an ongoing and holistic process that is constantly adapted to new circumstances. Sustainable human resources management thus also represents a cultural change that the Bank is supporting. This is essential for the success and continued existence of the Bank, which is why the sustainable focus of HR work represents a key strategic core topic. IKB's staff development strategy is derived from its corporate strategy. IKB's aim is for employees to identify with IKB, its values and its strategic orientation.</p>	Non-Financial Report 2023 p. 13-14, 32-39
5.3 Governance structure for implementing our principles	To prevent any negative consequences for the environment and society from the Bank's business activities and to prevent or reduce the risks that may arise as a result, approaches for identifying (ESG risk driver analysis), evaluating (quantitative and qualitative materiality assessment, stress tests), managing (sustainability-related KPIs are being developed) and reporting (integration of sustainability risks in the existing risk reports) have been developed. As part of the individual lending decisions, relevant sustainability information is obtained using of a sustainability checklist and ESG aspects are systematically taken into	Non-Financial Report 2023 p. 12-13, 17-19

account. The introduction of an ESG scoring system and consideration of ESG in the pricing of loans is currently in the pipeline.

Principle 6: Transparency and accountability

IKB will regularly review the individual and collective implementation of these principles and transparently communicate their positive and negative effects on and contribution to society’s goals and take responsibility for this.

6.1 Progress with the implementation of the PRB

In recent months, IKB has been working intensively on the requirements of associated with signing the UN PRB and has further intensified this work in the current financial year, integrating it findings into strategic initiatives and processes on an ongoing basis.

10.3 Taxonomy templates

1. Assets for the calculation of GAR (turnover based)

€ million	Total (gross) carrying amount	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	936,9	175,2	17,0	-	-	-	-	315,3	17,3	-	-	-
2	Financial undertakings	247,5	50,0	-	-	-	-	-	92,9	-	-	-	-
3	Credit institutions	98,1	-	-	-	-	-	-	40,8	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	98,1	-	-	-	-	-	-	40,8	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	149,4	50,0	-	-	-	-	-	52,1	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	686,6	125,2	17,0	-	-	-	-	222,4	17,3	-	-	-
21	Loans and advances	686,6	125,2	17,0	-	-	-	-	222,4	17,3	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	0,6	-	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	2,3	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	2,3	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	9,950,5	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	9,393,0	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,959,8	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	8,353,2	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	1,896,2	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	306,5	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	300,2	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	433,1	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	277,9	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	153,5	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	1,7	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	57,0	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	306,7	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	193,9	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	10,887,5	175,2	17,0	-	-	-	-	315,3	17,3	-	-	-
49	Assets not covered for GAR calculation	3,766,0	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	2,538,9	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	1,227,1	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-	-	-	-	-
53	Total Assets	14,653,5	175,2	17,0	-	-	-	-	315,3	17,3	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations													
54	Financial guarantees	1,032,5	-	-	-	-	-	-	4,5	0,7	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

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1. Assets for the calculation of GAR (CapEx based)

€ million	Total (gross) carrying amount	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)								
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling						
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	936,9	173,8	21,9	-	-	-	10,1	-	-	-	336,6	22,1	-	-	-
2	Financial undertakings	247,5	50,0	-	-	-	-	-	-	-	-	50,2	-	-	-	-
3	Credit institutions	98,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	98,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	149,4	50,0	-	-	-	-	-	-	-	-	50,2	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	686,6	123,8	21,9	-	-	-	10,1	-	-	-	286,4	22,1	-	-	-
21	Loans and advances	686,6	123,8	21,9	-	-	-	10,1	-	-	-	286,4	22,1	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	0,6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	2,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	2,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	9.950,5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	9.933,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8.959,8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	8.353,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	1.896,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	306,5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	300,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	433,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	277,9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	153,5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	1,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	57,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	306,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	193,9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	10.887,5	173,8	21,9	-	-	-	10,1	-	-	-	336,6	22,1	-	-	-
49	Assets not covered for GAR calculation	3.766,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	2.538,9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	1.227,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Total Assets	14.653,5	173,8	21,9	-	-	-	10,1	-	-	-	336,6	22,1	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	1.032,5	-	-	-	-	-	-	-	-	-	1,8	0,5	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

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2. GAR sector information (turnover based)

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1 20_30 Manufacture of paints, varnishes and similar coatings, printing ink and mastics	0,5	-	-	-	0,5	-
2 25_50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy	-	-	-	-	5,1	-
3 26_51 Manufacture of instruments and appliances for measuring, testing and navigation	2,0	-	-	-	2,0	-
4 27_12 Manufacture of electricity distribution and control apparatus	-	-	-	-	1,2	-
5 28_99 Manufacture of other special-purpose machinery n.e.c.	17,3	-	-	-	17,3	-
6 41_20 Construction of residential and non-residential buildings	-	-	-	-	2,3	0,3
7 52_23 Service activities incidental to air transportation	0,4	0,4	-	-	8,9	0,4
8 62_01 Computer programming activities	9,3	-	-	-	9,3	-
9 62_09 Other information technology and computer service activities	-	-	-	-	1,5	-
10 70_10 Activities of head offices	95,7	16,6	-	-	165,8	16,6
11 77_12 Renting and leasing of trucks	-	-	-	-	8,6	-

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

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3. GAR KPI-Stock (turnover based)

	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				
	Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
% (compared to total covered assets in the denominator)												
GAR - Covered assets in both numerator and denominator												
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1,61%	0,16%	-	-	-	-	-	2,90%	0,16%	-	-	6,39%
2 Financial undertakings	0,46%	-	-	-	-	-	-	0,85%	-	-	-	1,69%
3 Credit institutions	-	-	-	-	-	-	-	0,37%	-	-	-	0,67%
4 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	0,37%	-	-	-	0,67%
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
7 Other financial corporations	0,46%	-	-	-	-	-	-	0,48%	-	-	-	1,02%
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
12 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-financial undertakings	1,15%	0,16%	-	-	-	-	-	2,04%	0,16%	-	-	4,69%
21 Loans and advances	1,15%	0,16%	-	-	-	-	-	2,04%	0,16%	-	-	4,69%
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
24 Households	-	-	-	-	-	-	-	-	-	-	-	0,00%
25 of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-
26 of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-
27 of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-
28 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	0,02%
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	0,02%
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,61%	0,16%	-	-	-	-	-	2,90%	0,16%	-	-	74,30%

- Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
- Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
- Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets

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3. GAR KPI-Stock (CapEx based)

	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			Proportion of total assets covered					
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)								
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling							
% (compared to total covered assets in the denominator)															
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	1,60%	0,20%	-	-	-	0,09%	-	-	3,09%	0,20%	-	-	-	6,39%
2	Financial undertakings	0,46%	-	-	-	-	-	-	-	0,46%	-	-	-	-	1,69%
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	0,67%
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	0,67%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	0,46%	-	-	-	-	-	-	-	0,46%	-	-	-	-	1,02%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	1,14%	0,20%	-	-	-	0,09%	-	-	2,63%	0,20%	-	-	-	4,69%
21	Loans and advances	1,14%	0,20%	-	-	-	0,09%	-	-	2,63%	0,20%	-	-	-	4,69%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	0,00%
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	0,02%
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	0,02%
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,60%	0,20%	-	-	-	0,09%	-	-	3,09%	0,20%	-	-	-	74,30%

- Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
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5. KPI off-balance sheet exposures-flows (turnover based)

	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling						
% (compared to total eligible off-balance sheet assets)														
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	0,44%	0,07%	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

5. KPI off-balance sheet exposures-flows (CapEx based)

	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling						
% (compared to total eligible off-balance sheet assets)														
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	0,17%	0,05%	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

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Note

The 2023 CSR report was published on 30 April 2024 and is only available for [download online](#).

The reporting on sustainability aspects does not claim to be exhaustive. IKB refers to its [2023 Annual Report](#) in this regard.

The figures in this report have been rounded in accordance with established commercial practice. Rounding may in some cases mean that the figures in this report do not add up precisely to the total specified and percentages are not derived from the figures shown. If the plus or minus sign of a figure changes or if changes exceed 1,000%, a dot is shown as the percentage change.