



»»» “Green Bonds – Made by KfW” Framework 2024

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1. Overarching Objective and Strategy

KfW is the promotional bank of the Federal Republic of Germany. According to the Law concerning KfW (*Gesetz über die Kreditanstalt für Wiederaufbau*, or the “KfW Law”), performing promotional tasks, in particular financing sustainable development, is one of KfW’s business purposes. Hence, KfW’s sustainability strategy is closely intertwined with its business strategy.

Our understanding of sustainability is based on sustainability as a transformation process. We want to successfully support the transformation of the economy and society with the aim to improve economic, ecological and social living conditions in Germany, Europe and around the globe.

Our promotional financing activities address important trends that have an effect on a global scale: climate change and the environment, digitalisation and innovation, social change and globalisation. The protection of the environment and the fight against climate change are particularly important to KfW. To focus on this area KfW has set itself the target of an environmental commitment ratio of 38% of its total annual funded business volume.

The German Government has provided KfW with the mandate to evolve into a „transformative promotional bank“ as part of Germany’s Climate Action Programme 2030. Within this mandate, KfW’s task is to promote the transition to a carbon-neutral future with alliances and suitable technologies, while at the same time being strongly committed to enabling the economic, environmental and social compatibility of this transformation. KfW supports the sustainability goals defined by the United Nations, the European Union and the Federal Republic of Germany. Key reference frameworks are the UN Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the German Sustainable Finance Strategy. As a promotional bank committed to responsibility at the highest level, KfW’s goal is to integrate sustainability even more deeply into KfW Group’s activities. Sustainability has already been anchored rigorously, multidimensionally, and measurably on a group-wide basis through a series of milestones to date. These include, in particular, the adoption of KfW’s sustainability mission statement, the integration of the sustainability goals “SDG contribution of KfW financing” and “Paris Alignment of KfW financing” within the group-wide strategy, the introduction of a uniform group-wide exclusion list¹, the establishment of KfW’s SDG mapping², and the publication of KfW Group’s Task Force on Climate-related Financial Disclosures (TCFD) report.

With the project ‘transForm’, which was launched in November 2020, KfW aims to ensure that its own contribution to the SDGs and the Paris climate targets is strengthened demonstrably and substantially. Six subprojects are being implemented in parallel with the involvement of different central units and all market areas. Important milestones achieved thus far include a modernised sustainability governance, the expansion of a group-wide impact management system to measure the impact of new financings and to make it more transparent³, ensuring the Paris compatibility of KfW’s financing activities via 1.5°C-aligned sector guidelines in GHG intense sectors⁴, even stricter inclusion of ESG risk factors in KfW’s risk management and the further development of sustainability-related financial reporting (e.g., with regard to requirements of the EU Taxonomy Regulation⁵).

It is KfW’s ambition to promote responsible and sustainable investments, also via capital markets, with the aim to support the transition to a carbon-neutral economy. KfW believes that green bonds are an appropriate instrument to do so and that issuing “Green Bonds – Made by KfW” enhances KfW’s sustainability profile. Therefore, since 2014, KfW has been actively supporting the green bond market as an issuer of green bonds, as a vocal advocate of the green bond market, and, since 2015, as an investor in green bonds.

2. Green Bond Framework

This document is the third update of the “Green Bonds – Made by KfW” framework, following its inauguration in 2014 and updates in 2019 and 2022.

This “Green Bonds – Made by KfW” framework is applicable to all types of green refinancing instruments, such as green bonds, notes, and *Schuldscheindarlehen* (promissory note loans) issued by KfW (together referred to herein as “Bonds”). “Green Bonds – Made by KfW” can be issued under KfW’s debt issuance programmes or as stand-alone issuances, in EUR and other currencies.

The Bonds issued under the “Green Bonds – Made by KfW” framework will constitute unsecured and unsubordinated bonds of KfW ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated KfW bonds. Payment of principal and interest on “Green Bonds – Made by KfW” will be made from KfW’s general funds, is based solely on the credit standing of KfW, and is not linked to the performance of any projects financed as mentioned

¹ KfW’s group-wide exclusion list: www.kfw.de/exclusionlist

² KfW’s SDG mapping: <https://www.kfw.de/nachhaltigkeit/About-KfW/Sustainability/Strategie-Management/KfW-und-SDG/>

³ Group-wide impact management: <https://www.kfw.de/nachhaltigkeit/About-KfW/Sustainability/Strategie-Management/Sustainable-Finance/Impact-management/>

⁴ Sector guidelines: <https://www.kfw.de/nachhaltigkeit/About-KfW/Sustainability/Strategie-Management/Sustainable-Finance/Sector-guidelines/>

⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council (the “EU Taxonomy”)

below. Consequently, “Green Bonds – Made by KfW” are expected to carry the same credit ratings as other outstanding bonds issued by KfW.

This framework is aligned with the 2021 edition of the Green Bond Principles⁶ (“GBP”) with June 2022 Appendix and their four core components and Key Recommendations.

KfW is working on gradually aligning its loan programmes and project financing to the criteria of the EU Taxonomy. In this context, the degree of alignment of each eligible green project category of this framework with the Climate Delegated Act⁷ of the EU Taxonomy for ecologically sustainable economic activities has been assessed and detailed in the Use of Proceeds section below. Overall, this Framework’s criteria for the construction of new buildings up to 5000m², for comprehensive energy efficiency refurbishments as well as for wind and solar energy projects, which so far have represented the predominant share of allocation of KfW’s green bonds, are aligned with the substantial contribution criteria of the EU Taxonomy. Furthermore, loan programmes for the clean transportation category and the newly added Climate Protection Programme for Corporates have been set in line with the relevant substantial contribution criteria of the EU Taxonomy.

KfW is closely monitoring the developments of the provisions for the European Green Bond Standard.

As the green finance market continues to evolve, KfW will review this Framework from time to time, including its alignment to updated versions of the ICMA Green Bond Principles. Accordingly, KfW may deem it appropriate at times to further update its “Green Bonds - Made by KfW” framework with the objective of keeping or improving the current levels of transparency and reporting disclosures. Any material revision of the Framework will be subject to a new Second Party Opinion.

3. Use of Proceeds

An amount equal to the net proceeds of “Green Bonds – Made by KfW” will be used in accordance with item 5 “Management of Proceeds” below to finance eligible green projects (the “Eligible Green Projects”) from the below categories (the “Eligible Categories”).

Eligible Green Projects may include promotional loan programmes and financing provided by KfW in the context of international cooperation and project and export finance. In the cases of co-financing, only KfW’s share of the financing will be considered eligible.

Eligible Category: I. Renewable Energy
Eligible KfW Financing:
<ul style="list-style-type: none"> – “Renewable Energies – Standard” (programme no. 270)⁸ – Financing provided by KfW in the context of international cooperation and project and export finance
Details and Green Eligibility Selection Criteria
<p>Construction, expansion, modernisation and acquisition of plants generating power or heat from renewable energy sources.</p> <p>This covers the following project types:</p> <ul style="list-style-type: none"> – Wind energy (including both onshore and offshore wind power plants); – Photovoltaic panels; – Hydropower (excluding plants with an installed power exceeding 20MW); – Electricity and heat generated in combined heat and power stations from solid biomass (for heat generation only up to a size of 2MW), biogas or geothermal; – Biogas energy;

⁶ ICMA’s Green Bond Principles: <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

⁷ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

⁸ “Renewable Energies - Standard” (programme no. 270) (Germany only), English translation available [here](#)

- Grids and plants for the storage of heat or power, feed-in by renewable energy.

Excluded are:

- Plants for the generation of power or heat using fossil fuels as well as plants that are directly linked to power or heat generated on the basis of fossil fuels;
- Any equipment for the use of nuclear power.

EU Environmental Objective and EU Taxonomy⁹ Mapping

Climate change mitigation:

4. Energy

- 4.1. Electricity generation using solar photovoltaic technology
- 4.2. Electricity generation using concentrated solar power (CSP) technology
- 4.3. Electricity generation from wind power
- 4.5. Electricity generation from hydropower
- 4.6. Electricity generation from geothermal energy
- 4.8. Electricity generation from bioenergy
- 4.9. Transmission and distribution of electricity
- 4.10. Storage of electricity
- 4.11. Storage of thermal energy
- 4.14. Transmission and distribution networks for renewable and low-carbon gases
- 4.15. District heating/cooling distribution
- 4.18. Cogeneration of heat/cool and power from geothermal energy
- 4.20. Cogeneration of heat/cool and power from bioenergy
- 4.21. Production of heat/cool from solar thermal heating
- 4.22. Production of heat/cool from geothermal energy
- 4.24. Production of heat/cool from bioenergy

EU Taxonomy¹⁰ – Alignment with Substantial Contribution Criteria

The following are fully aligned with the substantial contribution criteria of the EU Taxonomy for climate change mitigation activities:

- Wind energy
- Photovoltaic panels and CSP
- Storage of electricity
- Production of heat/cool from solar thermal heating
- Construction and operation of pipelines and associated infrastructure for distributing heating and cooling from renewable energies

According to data currently available to KfW, other activities from this section might not fully align with the EU Taxonomy substantial contribution criteria.

UN SDGs¹¹



⁹ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

¹⁰ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

¹¹ Sustainable Development Goals ("SDG") adopted by the United Nations in 2015 (in alignment with the ICMA "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" (June 2020 edition))

Eligible Category: II. Green Buildings

Eligible KfW Financing:

- “Climate-friendly Construction (KFN)” (programme nos. 297-299)¹²
- “Housing Property for Families (WEF)” (programme no. 300)¹³
- “Federal Funding for Efficient Buildings (BEG)” (programme nos. 261, 263, 264).¹⁴

Details and Green Eligibility Selection Criteria

Acquisition and construction of new and the energy-efficient renovation of existing residential, commercial, and municipal buildings in Germany.

This covers the following project types:

- Construction of new climate-friendly and energy-efficient buildings that meet the following minimum criteria:
 - Fulfil the requirement of German QNG (Qualitätssiegel Nachhaltiges Gebäude) certificate of emitting no more than 24 kgCO₂e/m²a over the entire life cycle (life cycle assessment needed) or have full QNG certification
 - Compliant with Effizienzhaus/Effizienzgebäude 40 standard using 15% less primary energy compared to the requirements of the current German Building Energy Act (Gebäudeenergiegesetz, GEG)
 - No use of any fossil fuels or biomass for heating.
- Renovation of existing buildings which, after completion of the refurbishment measures, achieve the energy standard of an Effizienzhaus/Effizienzgebäude 85 or better.

Excluded are:

- Heating systems based on fossil fuels.

EU Environmental Objective and EU Taxonomy¹⁵ Mapping

Climate change mitigation:

7. Construction and real estate activities
 - 7.1. Construction of new buildings
 - 7.2. Renovation of existing buildings

The energy consultation component is closely linked to Section 9.3. “Professional services related to energy performance of buildings”.

EU Taxonomy¹⁶ – Alignment with Substantial Contribution Criteria

The following are fully aligned with the substantial contribution criteria of the EU Taxonomy for climate change mitigation activities:

- The construction of new buildings (buildings up to 5000m²). The required EH (efficiency housing) 40 standard for all buildings even exceeds the EU Taxonomy criteria, requiring 15% less primary energy demand (PED), compared to 10% in the EU Taxonomy
- Comprehensive energy efficiency refurbishments
- Professional services related to energy performance of buildings

¹² “Climate-friendly Construction (KFN)” (programme nos. 297, 298 and 299), (Germany only), English translation available [here](#)

¹³ “Housing Property for Families (WEF)” (programme no. 300), (Germany only), English translation available [here](#)

¹⁴ “Federal Funding for Efficient Buildings (BEG)” (programme nos. 261, 263, 264), (Germany only), English translation available [here](#)

¹⁵ [Commission Delegated Regulation \(EU\) 2021/2139 of 4 June 2021](#)

¹⁶ [Commission Delegated Regulation \(EU\) 2021/2139 of 4 June 2021](#)

Construction of new buildings over 5000m² is partially aligned with the EU Taxonomy substantial contribution criteria given that the testing for air-tightness and thermal integrity is not required. However, a full CO₂ lifecycle analysis is indispensable for all KfW financing, not only for buildings over 5000m² as required by the EU Taxonomy.

UN SDGs¹⁷



Eligible Category: III. Clean Transportation

Eligible KfW Financing:

- “Sustainable Mobility for Municipalities” (programme no. 267)¹⁸
- “Sustainable Mobility for Corporates” (programme nos. 268 and 269)¹⁹
- Financing provided by KfW in the context of international cooperation and project and export finance

Details and Green Eligibility Selection Criteria

Construction, acquisition, development of:

- Climate friendly vehicles for passenger transport and light commercial vehicles, including, e.g.,
 - Urban and suburban public transport (e.g., light rail vehicles, metros, trams, busses with zero CO₂ emissions).
 - Passenger cars or light commercial vehicles with zero CO₂ emissions.
 - Devices for active mobility (e.g., e-bicycles).
- Climate friendly vehicles for freight transport, including, e.g.,
 - Freight rail transport.
 - Freight transport services by road with low or zero CO₂ emissions.
 - Freight water transport.
- Infrastructure for climate friendly transport, including, e.g.,
 - Infrastructure for public transport.
 - Infrastructure enabling low-carbon road transport (e.g., EV charging stations, hydrogen filling stations).
 - Infrastructure for rail transport.
 - Infrastructure for active mobility (e.g., bike lanes).
- Data-driven solutions to reduce GHG emissions and digital networking for better and more efficient organization of mobility

Excluded are:

- Hybrid vehicles
- Transport systems and infrastructure that are dedicated to the transport of fossil fuels.

EU Environmental Objective and EU Taxonomy²⁰ Mapping

Climate change mitigation:

¹⁷ Sustainable Development Goals (“SDG”) adopted by the United Nations in 2015 (in alignment with the ICMA “Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2020 edition)

¹⁸ “Sustainable Mobility for Municipalities” (programme no. 267), (Germany only), English translation available [here](#)

¹⁹ “Sustainable Mobility for Corporates” (programme nos. 268 and 269), (Germany only), English translation available [here](#)

²⁰ [Commission Delegated Regulation \(EU\) 2021/2139 of 4 June 2021](#)

6. Transport

- 6.1. Passenger interurban rail transport
- 6.2. Freight rail transport
- 6.3. Urban and suburban transport, road passenger transport
- 6.4. Operation of personal mobility devices, cycle logistics
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.7. Inland passenger water transport
- 6.8. Inland freight water transport
- 6.9. Retrofitting of inland water passenger and freight transport
- 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities
- 6.11. Sea and coastal passenger water transport
- 6.12. Retrofitting of sea and coastal freight and passenger water transport
- 6.13. Infrastructure for personal mobility, cycle logistics
- 6.14. Infrastructure for rail transport
- 6.15. Infrastructure enabling low-carbon road transport and public transport
- 6.16. Infrastructure enabling low carbon water transport
- 6.17. Low carbon airport infrastructure

EU Taxonomy²¹ – Alignment with Substantial Contribution Criteria

All eligible projects under this category are aligned with the EU taxonomy substantial contribution criteria.

UN SDGs²²



Eligible Category: IV. Biodiversity

Eligible KfW Financing:

Project financing provided by KfW in the context of international cooperation

Details and Green Eligibility Selection Criteria

KfW financings or co-financings seeking to protect, maintain, restore or enhance biodiversity and ecosystems and sustainably manage living natural resources which benefit biodiversity and related ecosystem services.

This covers in particular the following project types:

- Nature and biodiversity conservation, protecting and restoring terrestrial, marine and other aquatic ecosystems through e.g.,
 - Forest restoration
 - Protection of forest adjacent ecosystems
- Sustainable land use management: protection of soil biodiversity.
- Sustainable agricultural practices²³: contribution to biodiversity, prevention of habitat loss through e.g.,
 - Agroforestry
- Sustainable forest management: contribute to biodiversity, prevent habitat loss through e.g.,

²¹ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

²² Sustainable Development Goals ("SDG") adopted by the United Nations in 2015 (in alignment with the ICMA "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" (June 2020 edition)

²³ Excluding crop and livestock agriculture

- Monitoring and prevention of deforestation
- Climate adaptation in arboreal ecosystems
- Reforestation
- Fire protection
- Or enabling the above through, e.g.,
- Education of local population

EU Environmental Objective and EU Taxonomy²⁴ Mapping

Protection and restoration of biodiversity and ecosystems

UN SDGs²⁵



Eligible Category:

V. Corporate investments with substantial contribution to climate change mitigation

Corresponding to ICMA GBP categories:

- Renewable Energies
- Energy efficiency
- Clean transportation
- Sustainable water and wastewater management
- Pollution prevention and control

Eligible KfW Financing:

“Climate Protection Programme for Corporates” (programme no. 293)²⁶

Details and Green Eligibility Selection Criteria

KfW’s “Climate Protection Programme for Corporates” (programme no. 293) assists companies in investing in selected climate-friendly activities.

The aim is to promote projects that contribute to achieving climate neutrality. The eligibility criteria are aligned with the substantial contribution criteria of the EU Climate Delegated Act for Climate Change Mitigation as documented in the “Minimum technical standards” accompanying the general KfW programme requirements.

As a large share of activities of the Climate Delegated Act are eligible for financing, the range of possible projects to be financed is broad. However, the actual uptake per module is demand-driven. The actual financing share per module will be displayed in the annual allocation report.

The following measures are eligible for financing:

Module A²⁷: Production of climate-friendly technologies and products, including, e.g.,

- Renewable energy technologies, where renewable energy is defined in line with the corresponding EU Taxonomy substantial contribution criteria

²⁴ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

²⁵ Sustainable Development Goals (“SDG”) adopted by the United Nations in 2015 (in alignment with the ICMA “Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2020 edition)

²⁶ “Climate Protection Programme for Corporates” (programme no. 293), (Germany only), English translation available [here](#)

²⁷ Technical minimum requirements Module A (German only), English translation available [here](#)

- Hydrogen production plants
- Vehicles with zero-tailpipe emissions
- Batteries contributing to substantial GHG emission reductions in transport, energy storage or other industrial applications

Module B²⁸: Climate-friendly manufacturing processes with the goal to decarbonise energy-intensive production processes, including

- Investments in plants, which enable the climate-friendly production of selected energy-intensive products (e.g., manufacturing of cement, aluminium, iron and steel, hydrogen with life-cycle GHG emissions lower than 3 tCO_{2e}/tH₂)

Module C²⁹: Energy production from renewable sources for a company's own power consumption³⁰ or in the context of integrated transport projects (Module F), including e.g.,

- Wind energy
- Photovoltaic panels
- Grids and plants for the distribution and storage of heat or power
- Charging stations for electric vehicles

Module D³¹: Measures with the aim to reduce GHG emissions in the provision of drinking water, the treatment of wastewater and the recycling of waste

Module E³²: Transport and storage of carbon

Module F³³: Integrated sustainable mobility projects (only in combination with implementing a measure from Module C), including e.g.,

- Electric vehicles for passenger and freight transport
- Investments in charging infrastructure and hydrogen fuel stations

Module G³⁴: Green IT, including e.g.,

- Energy-efficient hardware and cooling solutions

EU Environmental Objective and EU Taxonomy³⁵ Mapping

Module A

3. Manufacturing
 - 3.1. Manufacture of renewable energy technologies
 - 3.2. Manufacture of equipment for the production and use of hydrogen
 - 3.3. Manufacture of low carbon technologies for transport
 - 3.4. Manufacture of batteries
 - 3.5. Manufacture of energy efficiency equipment for buildings

Module B

- 3.7. Manufacture of cement
- 3.8. Manufacture of aluminium
- 3.9. Manufacture of iron and steel
- 3.10. Manufacture of hydrogen
- 3.11. Manufacture of carbon black
- 3.12. Manufacture of soda ash
- 3.13. Manufacture of chlorine
- 3.14. Manufacture of organic basic chemicals
- 3.15. Manufacture of anhydrous ammonia

²⁸ [Technical minimum requirements Module B \(German only\)](#), English translation available [here](#)

²⁹ [Technical minimum requirements Module C \(German only\)](#), English translation available [here](#)

³⁰ i.e. not providing power to third parties. The power generation facilities which provide power to third parties are eligible under a different programme (programme 270)

³¹ [Technical minimum requirements Module D \(German only\)](#), English translation available [here](#)

³² [Technical minimum requirements Module E \(German only\)](#), English translation available [here](#)

³³ [Technical minimum requirements Module F \(German only\)](#), English translation available [here](#)

³⁴ [Technical minimum requirements Module G \(German only\)](#), English translation available [here](#)

³⁵ [Commission Delegated Regulation \(EU\) 2021/2139 of 4 June 2021](#)

- 3.16. Manufacture of nitric acid
- 3.17. Manufacture of plastics in primary form

Module C

- 4.1. Electricity generation using solar photovoltaic technology
- 4.2. Electricity generation using concentrated solar power (CSP) technology
- 4.3. Electricity generation from wind power
- 4.4. Electricity generation from ocean energy technologies
- 4.5. Electricity generation from hydropower
- 4.6. Electricity generation from geothermal energy
- 4.7. Electricity generation from renewable non-fossil gaseous and liquid fuels
- 4.8. Electricity generation from bioenergy
- 4.9. Transmission and distribution of electricity
- 4.10. Storage of electricity
- 4.11. Storage of thermal energy
- 4.12. Storage of hydrogen
- 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids
- 4.14. Transmission and distribution networks for renewable and low-carbon gases
- 4.15. District heating/cooling distribution
- 4.16. Installation and operation of electric heat pumps
- 4.17. Cogeneration of heat/cool and power from solar energy
- 4.18. Cogeneration of heat/cool and power from geothermal energy
- 4.19. Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels
- 4.20. Cogeneration of heat/cool and power from bioenergy
- 4.21. Production of heat/cool from solar thermal heating
- 4.22. Production of heat/cool from geothermal energy
- 4.23. Production of heat/cool from renewable non-fossil gaseous and liquid fuels
- 4.24. Production of heat/cool from bioenergy
- 4.25. Production of heat/cool using waste heat

Module D

- 5.1. Construction, extension and operation of water collection, treatment and supply systems
- 5.2. Renewal of water collection, treatment and supply systems
- 5.3. Construction, extension and operation of waste water collection and treatment
- 5.4. Renewal of waste water collection and treatment
- 5.5. Collection and transport of non-hazardous waste in source segregated fractions
- 5.6. Anaerobic digestion of sewage sludge
- 5.7. Anaerobic digestion of bio-waste
- 5.8. Composting of bio-waste
- 5.9. Material recovery from non-hazardous waste
- 5.10. Landfill gas capture and utilisation

Module E


- 5.11. Transport of CO₂
- 5.12. Underground permanent geological storage of CO₂

Module F

- 6.1. Passenger interurban rail transport
- 6.2. Freight rail transport
- 6.3. Urban and suburban transport, road passenger transport
- 6.4. Operation of personal mobility devices, cycle logistics
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.7. Inland passenger water transport
- 6.8. Inland freight water transport
- 6.9. Retrofitting of inland water passenger and freight transport
- 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities
- 6.11. Sea and coastal passenger water transport
- 6.12. Retrofitting of sea and coastal freight and passenger water transport
- 6.13. Infrastructure for personal mobility, cycle logistics
- 6.14. Infrastructure for rail transport
- 6.15. Infrastructure enabling low-carbon road transport and public transport
- 6.16. Infrastructure enabling low carbon water transport
- 6.17. Low carbon airport infrastructure

Module G

- 8.1. Data processing, hosting and related activities
- 8.2. Data-driven solutions for GHG emissions reductions

EU Taxonomy³⁶ – Alignment with Substantial Contribution Criteria
All eligible projects under this category are aligned with the EU taxonomy substantial contribution criteria.
UN SDGs³⁷


Excluded are:

- Projects dedicated to fossil-fuel activities;
- Gas and nuclear activities included in the complimentary Climate Delegated Act;
- All activities listed in the [KfW Exclusion List](#).

In order to avoid double-counting of loans, Eligible Green Projects will exclude any subsidies and expenses already used by the Federal Republic of Germany in Green German Federal securities or financed under the German Recovery and Resilience Plan (DARP).

4. Process for Project Evaluation and Selection

KfW has an established process for the selection of the Eligible Green Projects which is embedded within its evaluation and approval processes of its loan programmes and financings.

- For the domestic loan programmes, KfW defines formal eligibility requirements that incorporate the green eligibility criteria described in the Use of Proceeds sections of this Framework. For each loan, KfW reviews the individual loan application in order to assess compliance with all the eligibility requirements of the respective loan programmes. All projects approved by KfW's lending department for the respective loan programmes will automatically qualify as an Eligible Green Project.
- For financing provided by KfW in the context of international cooperation and project and export finance, a selection process has been set up for the identification and approval of Eligible Green Projects in line with the criteria of this Framework. The relevant business functions within KfW group are responsible for selecting a list of potential eligible financings that is then submitted to KfW's Financial Markets Department. Representatives from KfW's financial markets as well as representatives responsible for sustainability and finance from the relevant business functions within KfW group will meet on a regular basis to review proposed Eligible Green Projects and validate the selection.

KfW is currently not publishing information on certain aspects of the EU Taxonomy (Do-No-Significant-Harm criteria and Minimum Safeguards) but has several instruments in place to manage environmental and social risks: KfW applies a group-wide exclusion list to all new financings and promotional activities.³⁸ In addition, new financings are subject to Paris-compatible sector guidelines that apply for selected greenhouse gas-intensive sectors.³⁹ The sector guidelines define minimum requirements for the climate compatibility of technologies financed by KfW and are scientifically derived from Paris-compatible climate scenarios published by the International Energy Agency (IEA).

To further avoid harm to other sustainability dimensions, all Eligible Green Projects are screened according to KfW's environmental and social risk management framework:

- For project locations in Germany, other European Union ("EU") countries and generally all other high-income OECD countries outside the EU an extensive set of rules and regulations for environmental and social issues are in place, applicable and enforced. For loans extended directly by KfW to the ultimate borrower, KfW evaluates environmental and social risks and carries out an extensive Environmental and Social Impact Assessment (ESIA), if necessary, as defined in the sustainability guidelines. For loans extended indirectly to the ultimate borrower via an on-lending bank, KfW expects the on-lending bank to apply adequate measures to mitigate environmental and social risk. KfW performs sample checks on the application of Environmental and Social Impact Assessments by such on-lending banks.

³⁶ [Commission Delegated Regulation \(EU\) 2021/2139 of 4 June 2021](#)

³⁷ Sustainable Development Goals ("SDG") adopted by the United Nations in 2015 (in alignment with the ICMA "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" (June 2020 edition)

³⁸ [KfW Exclusion list](#)

³⁹ [KfW Sector guidelines](#)

- KfW subjects all planned projects in developing countries and emerging economies, as well as all export and project financing, to an Environmental and Social Due Diligence (ESDD). An Environmental and Social Impact Assessment (ESIA) is carried out for Category A and B projects applying international standards including the Environmental and Social Standards (ESS) of the World Bank, the Performance Standards of the International Finance Corporation (IFC PS) and the standards of the International Labour Organisation (ILO). Projects or investments that are likely to have an unacceptable environmental or social impact that cannot be avoided or mitigated by suitable measures are not eligible for funding.

KfW's Financial Markets Department is responsible for the governance of the Framework, including in particular for:

- Monitoring the satisfactory allocation of the net proceeds raised through “Green Bonds – Made by KfW” to the Eligible Green Projects Category, as described in the “Use of Proceeds” and “Management of Proceeds” sections of this Framework.
- The timely publication of the annual allocation and impact report.
- Discussing and validating the potential evolution of this Framework due to changes in corporate strategy, market and/or regulatory developments.

5. Management of Proceeds

The net proceeds from the issuance of “Green Bonds – Made by KfW” will be used by KfW in its general business. However, upon issuance of “Green Bonds – Made by KfW” an amount equal to the resulting net proceeds is allocated to an internal register in the order of issuance.

KfW has set up an internal process to track disbursements for Eligible Green Projects and net proceeds of “Green Bonds – Made by KfW”. For each calendar year, an internal register has been created. On a monthly basis, amounts matching the disbursements for Eligible Green Projects are allocated to the register, starting with the beginning of the calendar year.

When Eligible Green Projects from the last quarter of a given calendar year have not been allocated to a Green Bond by year-end, KfW may allocate those Eligible Green Projects to Green Bonds issued in the following year.

Net proceeds of non-euro “Green Bonds – Made by KfW” are converted into euros at the European Central Bank's exchange reference rate on the respective pricing date. For any “Green Bond – Made by KfW”, KfW expects full allocation by the end of the year of issuance.

“Green Bonds – Made by KfW” can be increased (tapped). In terms of management of proceeds and reporting, a tap is treated like a new issuance and is subject to the relevant framework then applicable. As a result, KfW might report different use of proceeds and impact of the Bonds originally issued and the respective increase. Green bonds issued based on this framework version can therefore still be tapped when future versions of the framework are released.

The maturity of “Green Bonds – Made by KfW” does not necessarily match the financings of the Eligible Green Projects. However, in order to reduce mismatches between such maturities the volume-weighted average maturity of the cumulated “Green Bonds – Made by KfW” issued in one calendar year may not exceed the volume-weighted average maturity of the cumulated loan commitments for Eligible Green Projects of the preceding year.

6. Reporting

Following the issuance, the amount of net proceeds from “Green Bonds – Made by KfW” will be regularly monitored and reported on an annual basis until full allocation. This **allocation report** will show:

- The amount of allocated proceeds of “Green Bonds – Made by KfW” issued in the respective calendar year;
- The amount of unallocated proceeds of “Green Bonds – Made by KfW” issued in the respective calendar year, as the case may be;
- The breakdown by Eligible Category of the cumulated disbursements of the respective calendar year;
- The breakdown by country of the cumulated disbursements of the respective calendar year;
- The share of allocated proceeds to projects eligible under the EU Taxonomy and the share allocated to projects aligned with the substantial contribution criteria.

The allocation report is prepared for each calendar year and shows aggregate data (no project-by-project data). All disbursements for Eligible Green Projects made by KfW between 1 January and 31 December of the same year are linked to the cumulated net proceeds of all “Green Bonds – Made by KfW” issued in the same calendar year. If some Eligible Green Projects from the last quarter of the calendar previous year have been allocated, the corresponding amount will be included in the calculation.

All “Green Bonds – Made by KfW” issued in one calendar year will show the same allocation breakdown which remains unchanged over the bond lifetime.

Additionally, an **impact report**, presenting the estimated environmental impact of the Eligible Green Projects, will be published once the impact of the underlying loan programmes has been evaluated for the respective year. This impact report shows a number of core indicators following the June 2023 edition of the ‘Handbook Harmonized Framework for Impact Reporting’⁴⁰. The core indicators may include the following indicators:

- Renewable Energy:
 - Annual greenhouse gas (GHG) emissions reduced/avoided in tonnes of CO₂ equivalent p.a.;
 - Annual renewable energy generation in MWh;
 - Capacity of renewable energy plant(s) added or rehabilitated in MW.
- Green Buildings:
 - Annual greenhouse gas (GHG) emissions reduced/avoided in tonnes of CO₂ equivalent p.a.;
 - Annual energy savings in MWh.
- Clean Transportation
 - Annual greenhouse gas (GHG) emissions reduced/avoided in tonnes of CO₂ equivalent p.a.;
 - To the extent available: Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre) and/or tonnes;
 - To the extent available: Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs).
- Biodiversity
 - To the extent available: Maintenance and/or increase of natural landscape including forest in ha;
 - To the extent available: Maintenance and/or increase of land use conserving biodiversity in ha.
- Corporate investments with substantial contribution to climate change mitigation: Other selected Financings based on EU Taxonomy
 - To the extent available: Annual greenhouse gas (GHG) emissions reduced/avoided in tonnes of CO₂ equivalent p.a.;
 - Other indicators depending on financed economic activity, e.g.,
 - Capacity of renewable energy plant(s) added or rehabilitated in MW;
 - Passenger-kilometres and/or passengers; or tonne-kilometres and/or tonnes;
 - Number of charging stations installed.

In addition, subject to data availability, KfW intends to report on the number of jobs created or secured.

The impact report will also outline the key underlying methodology and assumptions used to estimate such environmental impacts. The impact report is prepared for each calendar year and shows aggregate data (no project-by-project data). All loan commitments for Eligible Green Projects KfW made between 1 January and 31 December of the same year, together with - where applicable - the Eligible Green Projects of the last quarter of the previous year, are linked to the cumulated net proceeds of all “Green Bonds – Made by KfW” issued in the same calendar year. As a result, all “Green Bonds – Made by KfW” issued in one calendar year show the same impact per unit financed which remains unchanged over the bond lifetime.

Quantitative performance indicators of impact measurement are referring to loan commitments while allocation of proceeds is reported based on disbursements. Due to full or partial waivers of borrowers, disbursements may be lower than loan commitments. Also, disbursements made in a calendar year that differs from the one in which the corresponding commitment was made, can cause a mismatch. KfW is aware of this potential mismatch which, in KfW’s view, is limited and therefore, will not be taken into account.

Reporting will be available on KfW’s website in English.

⁴⁰ [Handbook Harmonized Framework for Impact Reporting June 2023](#)

7. External Review

KfW has obtained a Second Party Opinion (SPO) for its “Green Bonds – Made by KfW” framework from Sustainalytics. The SPO is published on KfW’s website in English.

KfW will appoint an independent auditor to provide a Limited Assurance review of the annual allocation report.

8. Documents and Websites

KfW provides information regarding green funding including

- its Green Bond Framework 2024
- the Second Party Opinion on KfW’s Green Bond Framework 2024
- a current Investor Presentation, and
- the KfW Green Bonds Impact Reports & Allocation Reports (including the Limited Assurance from the auditor)

on the following website: www.kfw.de/green-bonds

KfW provides information regarding sustainability on the following website: www.kfw.de/sustainability

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