

Special Account

The net proceeds from the sale of notes will be used in the general business of KfW.

In parallel the issuer will credit an amount equal to the net proceeds of the notes to a special account, reserved for specific green bond projects. The balance of this special account will be reduced on a monthly basis by amounts matching requests and approval for disbursements during the previous months according to the Green Bond Framework.

Eligible Projects

Eligible Projects will be selected according to the “KfW-Programm Erneuerbare Energien – Standard (270/274)” (“KfW Renewable Energies Programme – Standard (270/274)”), for example:

- photovoltaic,
- biomass,
- wind energy
- hydropower
- geothermal
- electricity and heat from renewable energies, generated in combined heat and power stations.

KfW will not finance fossil fuel or nuclear power through its green bonds.

Selection of Eligible Transactions

Eligible projects are selected by KfW’s lending departments who decide on the eligibility of the projects according to KfW’s guidelines for lending through the “KfW Renewable Energies Programme - Standard” (270/274).

All transactions have been screened according to KfW’s environmental and social risk management framework. (<https://www.kfw.de/nachhaltigkeit/migration/Gemeinsame-Richtlinie.pdf> - German only)

The environmental and social impact assessment is governed by the following principles:

- In the case of investments in countries where an extensive set of rules and regulations for environmental and social issues is in place and enforced, there is no requirement to appraise the environmental impact and social aspects of a measure. This applies to EU countries and generally to all other OECD countries outside the EU.

• With regard to investments in all other countries, an initial assessment is performed by the responsible lending department before a decision is made on the financing, to determine whether the planned measure will have any negative environmental or social impacts.

• If the responsible lending department deems an investment project to be environmentally or socially relevant, the Competence Centre for Environment and Sustainability examines the environmental and social effects in more detail. The basis for assessing the environmental and social sustainability of a measure in every case is whether it complies with the respective national regulatory preconditions of the investee country, including the environmental and social provisions. They must be at least equivalent to the internationally recognised environmental and social standards, such as those formulated in the Environmental, Health and Safety Guidelines of the World Bank Group (EHS Guidelines) and the ILO (International Labour Organization) core labour standards.

Transparency

To enable investors to follow the development and provide insight into priority areas of promotion, KfW will provide quarterly information to investors including

- general information on KfW green bonds
 1. “Renewable Energies Programme – Standard” connected with the notes
 2. a selection of project examples and impact measurement¹ (e.g. GHG savings)
 3. comprehensive description of the green bond process at KfW
 4. information about sustainability ratings of KfW
- specific information on individual green bonds
 5. regular summary on green bond development (e.g. the outflow of proceeds)

All information and relevant documents in respect to KfW green bonds and the “KfW Renewable Energies Programme - Standard (270/274)” are available on KfW’s website.

¹ The evaluation of the loan programme is done on a two year basis.

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