

Minimum standards for use of the wordmarks

“Green Pfandbrief” / “Grüner Pfandbrief”

(for Mortgage Pfandbriefe)

Valid from January 1, 2025

Under a trademark licence agreement to be concluded separately with the Association of German Pfandbrief Banks (vdp), the Licensee undertakes to comply with the following minimum standards when using the said wordmarks¹:

- (a) A “Green Pfandbrief” / “Grüner Pfandbrief” is issued on the basis of the applicable provisions of the Pfandbrief Act together with relevant regulations concerning the Mortgage Pfandbrief and the Green Bond Principles (“GBP”) in force at the time of issue. The issuer shall establish a Green Bond Framework (“GBF”), which is also based on the GBP, and publish it prior to issue.
- (b) The issuance proceeds are used exclusively to finance/fund “Eligible Assets”. Eligible Assets within the meaning of these minimum standards are real estate financing operations where the financed real estate meets one of the following requirements:
 - (i) In the case of new construction financing² in Germany and other EU countries, the property must have a primary energy demand that is at least 10% below the national standard for nearly zero-energy buildings (NZEB). For real estate properties located in non-EU countries, the nationally applicable standards must be observed.
 - (ii) When financing existing commercial properties, the property must meet at least one of the following criteria:
 - a. The commercial property can be assigned to energy efficiency class A or better.
 - b. A sustainability certificate has been issued by an established provider that ranks the commercial property in one of the provider’s top categories.
 - c. The commercial property is in the top 15% of the national or regional commercial property stock with regard to energy consumption/demand.
 - (iii) When financing residential properties, the property must meet at least one of the following criteria:
 - a. The residential building can be assigned to energy efficiency class A or better.
 - b. The residential building is in the top 15% of the national or regional residential property stock with regard to energy consumption/demand.
 - c. The project is co-financed by KfW funding programmes for energy-efficient construction and renovation.
 - (iv) When financing renovations/refurbishments, a reduction in energy consumption or demand of at least 30% is achieved. In addition, the energy efficiency measures must lead to energy consumption/demand reaching levels consistent with EU climate objectives.
- (c) When a “Green Pfandbrief” is issued, the cover pool for the Mortgage Pfandbrief contains a nominal volume of Eligible Assets that corresponds to at least the total nominal value of the “Green Pfandbrief” to be issued. Multiple use of the Assets for funding purposes must be prohibited.
- (d) The Licensee ensures that Eligible Assets – as defined at the relevant issuance date – corresponding to at least the total nominal value of a “Green Pfandbrief” are held in the cover pool of the Mortgage Pfandbrief at all times until the “Green Pfandbrief” matures. In exceptional cases, for example in the event of unexpectedly large early repayments, freed financial resources can be invested temporarily

¹ For further information and details concerning the individual requirements, see the FAQs.

² Financing for new buildings constructed from 1.1.2021 onwards.

with a credit institution that has a good sustainability rating from a recognised sustainability rating agency.

- (e) Eligible Assets are flagged in the Licensee's loan records.
- (f) The Licensee ensures that an external opinion, prepared by an appropriate provider, confirms compliance with the GBP and the adequacy of the GBF from a green finance perspective.
- (g) The Licensee appoints a suitable external provider to carry out regular verification to review the sustainable quality of the cover for the issues concerned and compliance with the selection criteria.
- (h) The annual reporting to be prepared and published by the Licensee shall also include an impact report.
- (i) The Licensee undertakes to make the following data available for publication on the vdp website, if necessary via a link to its own website:
 - Information on the Eligible Assets in the cover pool
 - External review
 - Impact report
 - GBF
 - Investor presentation if applicable
 - List of outstanding Green Pfandbriefe

The minimum standards are regularly reviewed in order to adapt them to current market developments and help achieve the climate targets.