



## Green Bond Reporting 2022.

(as of November 2022)

# Introduction

Climate change is one of the most important challenges of our time. The world's greatest environmental and social consequences of global change, such as population growth, energy security, biodiversity loss and inadequate access to drinking water and food, are all closely linked to climate change. The transition to a lower-carbon economy is crucial in this regard. With the signing of the Paris Agreement, the global community at the international level agreed to limit the global temperature rise in this century to well below 2 degrees Celsius above the pre-industrial level. With the adoption of the 17 Sustainable Development Goals (SDGs) of the United Nations, the world has set itself a global framework with a common direction and measures to solve the global challenges until 2030. Banks' operations, products and services have an impact on the environment and society. The financial sector has an important role to play in the transition to a lower-carbon economy. Banks have a social, environmental and economic responsibility to understand and manage these issues as part of their business. Norddeutsche Landesbank – Girozentrale – (hereinafter referred to as "NORD/LB") accepts these given environmental conditions and the expectations placed on it in its role as a commercial bank. NORD/LB wants to make its contribution so that the climate targets of the German government can be achieved. As a bank and institution under public law, NORD/LB bears a particular responsibility for economic development and social cohesion. For this reason, NORD/LB is determined to support its customers in preparing for success in an increasingly carbon-constrained world.

NORD/LB is an official member of the Green Bond Principles (GBP). NORD/LB assigned ISS ESG to review the implementation of the Green Bond Principles and the sustainability of the Bank's overall Green Bond Programme.

## Sustainable References



### Logistics portfolio

Seven German locations

Energy performance certificates with high energy efficiency

[Green Bond-ability](#)



### Viktoria Karree

Bochum

Energy performance certificates with high energy efficiency

[Green Bond-ability](#)



### Am Tacheles

Berlin

LEED Platin (expected)

[Green Bond-ability](#)

Indicative visualization Source: bloomimages



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# 1/ **NORD/LB's Green activities and its Green Bond Programme**

“Our customers - served under the brand Deutsche Hypo - are already intensively engaged with the latest requirements for Green Buildings. NORD/LB has done a great job to continuously expand its knowledge. Sustainability is an integral part of our business strategy and of our employees daily doing. Our goal is to expand our know-how and sustainability behavior with our clients.”

Frank Schrader, Global Head of Deutsche Hypo - NORD/LB Real Estate Finance

NORD/LB welcomes the actions taken by the European Union to create with help of the EU Taxonomy and the EU Green Bond Standard a common European standard. Data transparency, quality and comparability as well as the sustainability performance of bonds and issuers will improve in the medium term. Nevertheless, the implementation will be a challenge. Extensive data know-how is required for successful implementation, especially for the selection criteria and the “Do no significant harm”- requirements. NORD/LB has been actively addressing these challenges. An important point is the dialogue with the customers.

NORD/LB has understood that its sustainability performance can only be improved together with its stakeholders. Therefore, the Bank deals

intensively with all aspects of new regulations and shares its knowledge with its customers. The aim is to offer Taxonomy-compliant products and thus to continuously improve the quality of the own Green Bond Programme.

When issuing Green Bonds, NORD/LB funds itself by issuing bonds (bearer bonds or registered bonds), loans (Schuldscheindarlehen) or deposits (Termingelder) whose raised funds are used exclusively to finance energy-efficient (i.e. green) buildings, such as new buildings, replacements of old buildings, project developments, certified portfolio financing and renovation work to improve a building's energy efficiency.



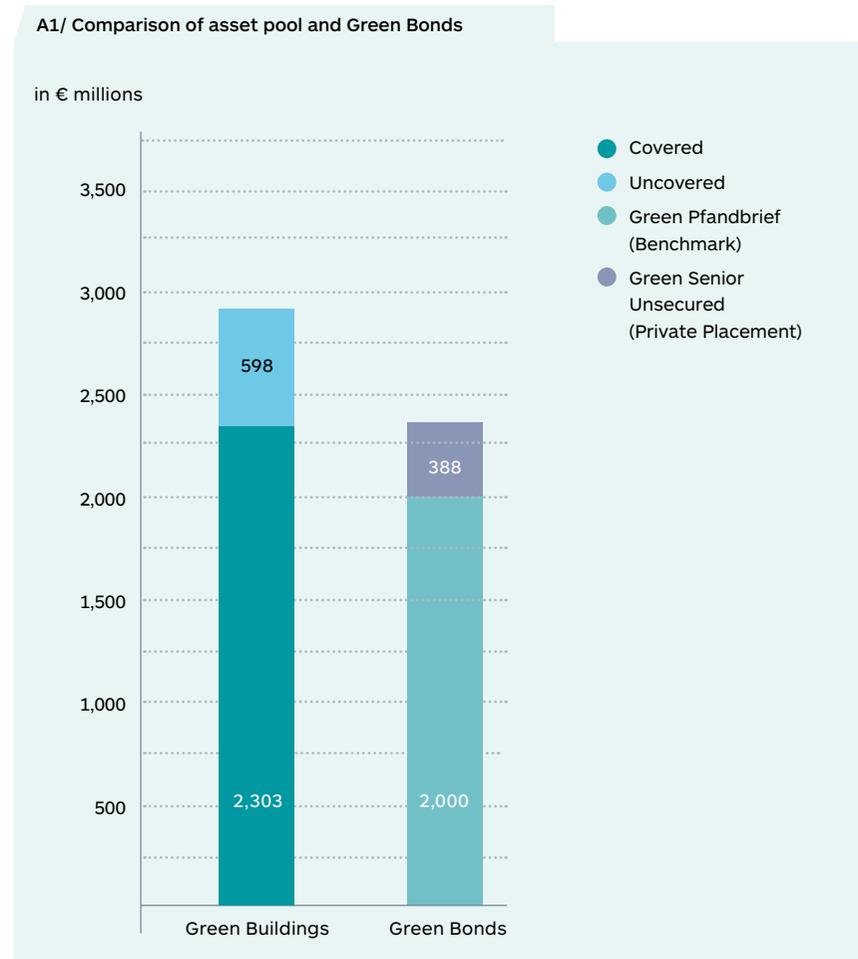
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## 2/ Asset Pool Reporting

Since our first thoughts about establishing a Green Bond Programme in 2015, especially after creating a first portfolio and first issuances in 2017, we have successfully and continuously increased our green portfolio. This is true for the part qualifying for Green Pfandbriefe as well as for the green senior part of it.

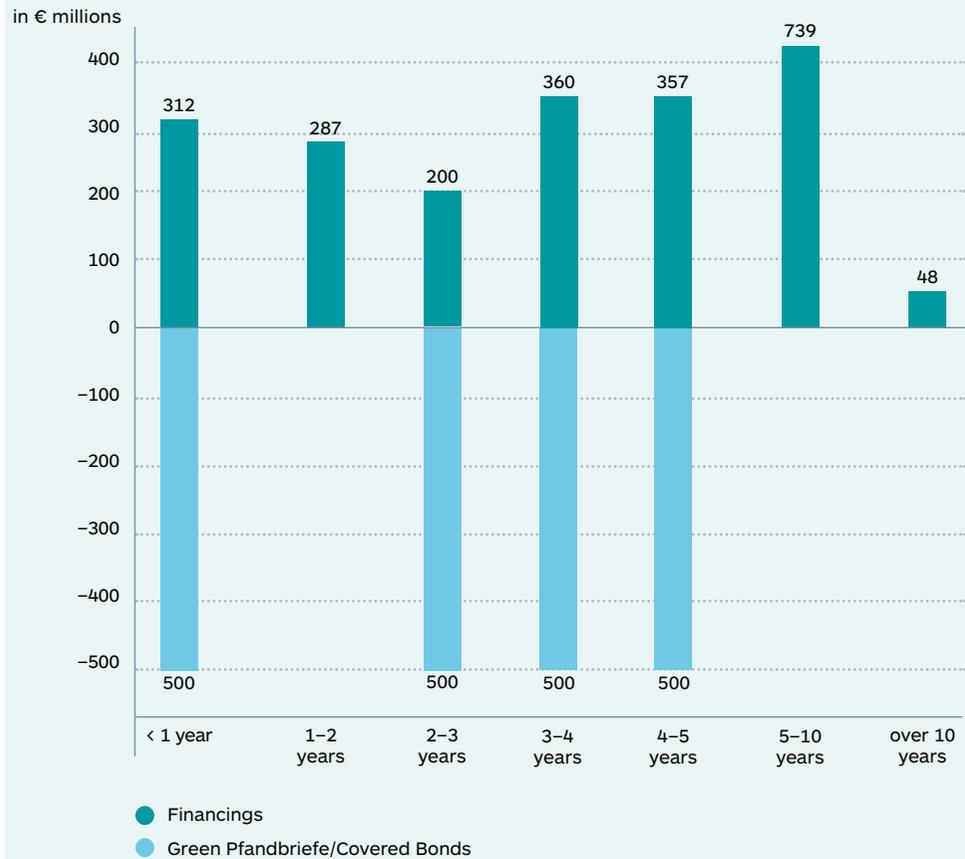


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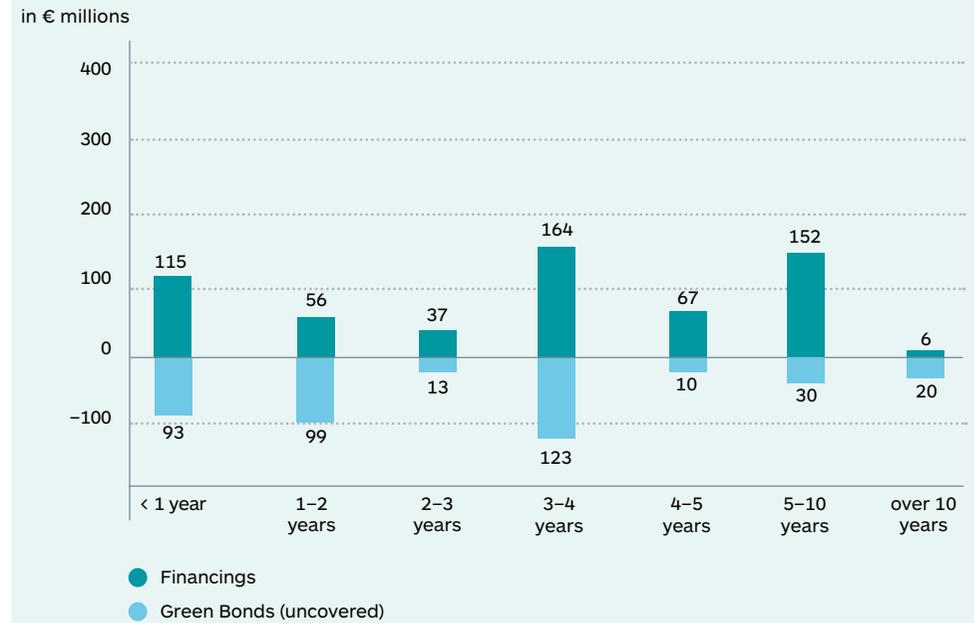


## A2/ Covered maturity breakdown



The illustration A2 shows the maturity breakdown of the covered Green Buildings compared with the maturity breakdown of the outstanding Green Pfandbriefe.

## A3/ Uncovered maturity breakdown



The illustration A3 shows the maturity breakdown of the uncovered Green Buildings compared with the maturity breakdown of the outstanding uncovered Green Bonds.

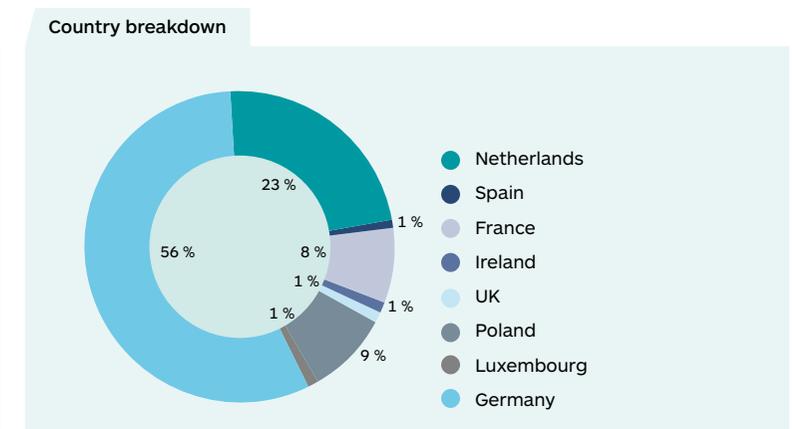
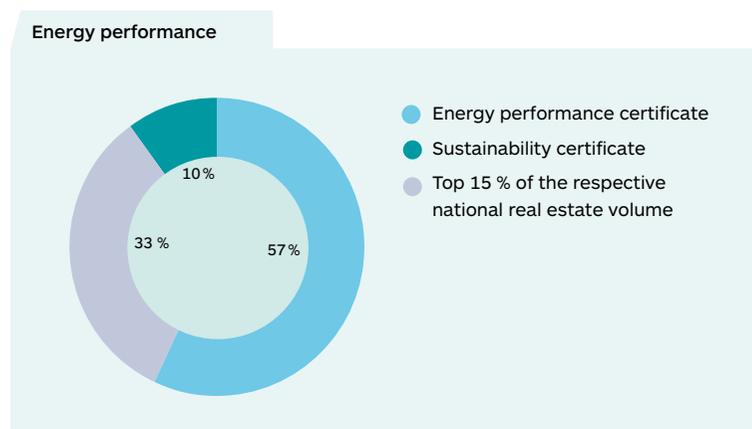
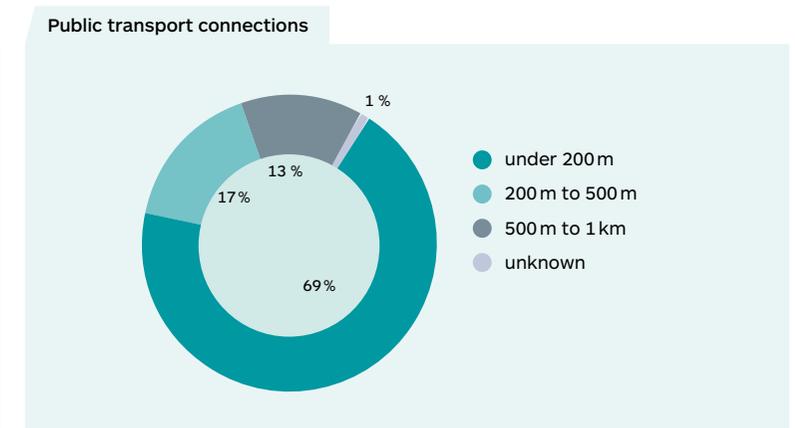
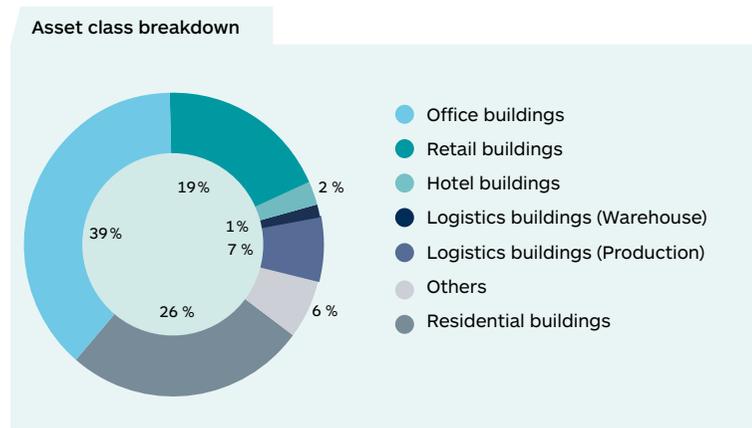
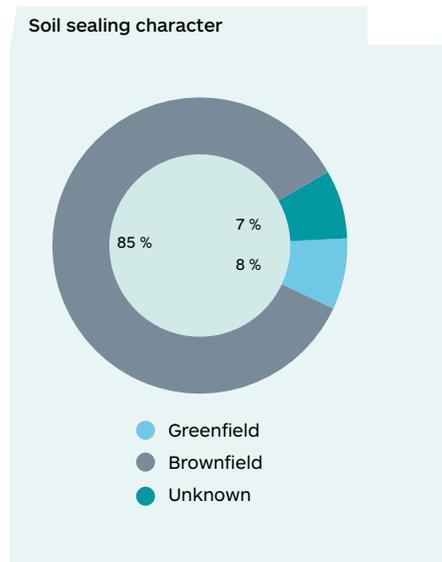


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## Green buildings can be categorised as follows



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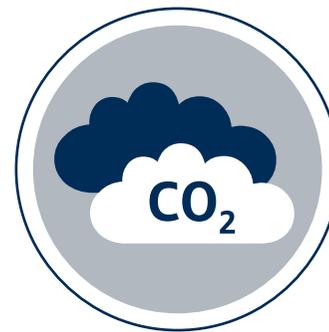


# 3/ Impact Reporting

Summing up, NORD/LB's Green Building- and Green Bond-activities have the following environmental impact:



**Savings per €mn financing  
in tCO<sub>2</sub>/(€ mn. \*p.a.):**  
10.12



**Total Savings of the NORD/LB  
portfolio in tCO<sub>2</sub>/p.a.:**  
29,361.1



**Energy Saving of the portfolio compared to the  
energy benchmark in kWh p.a.:**  
93,690,437.19



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## Method description for calculating the CO<sub>2</sub> Impact

For the calculation of the CO<sub>2</sub> impact, NORD/LB only takes into account Green Buildings that are identified by an energy certificate with energy consumption information. In principle, NORD/LB calculates the energy saved by a Green Building by forming the difference between the energy demand or consumption and the selected benchmark. The current benchmarks are the average energy consumption values per asset class and target market<sup>1</sup>. The selection of available assets is described in the currently valid version of NORD/LB's Green Bond Framework<sup>2</sup>.

Due to the availability of data in the target market Germany, the average energy consumption value of office buildings is used as a benchmark for all other commercial real estate asset classes. For residential buildings and hotels, however, there is a separate average energy consumption value and thus a separate benchmark for each.

In its foreign markets NORD/LB already follows the proposals from the EU Taxonomy Regulation. The primary use of a residential or commercial building must correspond to the top 15 % of the national building stock.

Identification is country-specific on the basis of final or primary energy demand. The required data, including the average primary energy demand and the country-specific CO<sub>2</sub> intensity (emission factor), will be provided by Drees & Sommer. Drees & Sommer will update this data regularly. This will bring the selection criteria of the Green Bond Framework in line with current market standards.

The energy saved by a building in kWh/m<sup>2</sup> p.a. compared to the respective benchmark is then multiplied by an emission factor that is specific to each target market and takes into account the amount of CO<sub>2</sub> needed to produce one kilowatt hour of energy. Then the annual CO<sub>2</sub> savings per square metre are multiplied by the total floor space of the building to determine the total emissions savings of the building per year. As it may be the case that NORD/LB only finances part of a building, the total emission savings of the green building are set in relation to the share of the initial financing volume of NORD/LB. In this way, only the emission savings to be offset against its share of financing are allocated to NORD/LB.

### Calculation<sup>3</sup>

#### Germany

- a) Benchmark - (final energy demand heat building + final energy demand electricity building) \* CO<sub>2</sub> intensity = Saving CO<sub>2</sub> per m<sup>2</sup> p.a.
- b) Result from a) \* Institute share \* m<sup>2</sup> = Savings CO<sub>2</sub> Institute share p.a.

#### All other countries

- a) Benchmark - (primary energy demand building or final energy demand building) \* CO<sub>2</sub> intensity = Saving CO<sub>2</sub> per m<sup>2</sup> p.a.
- b) Result from a) \* Institute share \* m<sup>2</sup> = Savings CO<sub>2</sub> Institute share p.a.

<sup>1</sup>The benchmark values are provided by Drees & Sommer. Drees & Sommer is a leading European consulting, planning and project management company with a focus on real estate and infrastructure.

<sup>2</sup>[https://www.nordlb.com/fileadmin/redaktion/Nachhaltigkeit/GreenBanking/Green\\_Bond\\_Framework\\_NordLB\\_v1.0EN.pdf](https://www.nordlb.com/fileadmin/redaktion/Nachhaltigkeit/GreenBanking/Green_Bond_Framework_NordLB_v1.0EN.pdf)

<sup>3</sup>Benchmark in kWh per m<sup>2</sup> p.a., Energy consumption in kWh per m<sup>2</sup> p.a., CO<sub>2</sub> intensity in kg CO<sub>2</sub> per kWh



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