Germany

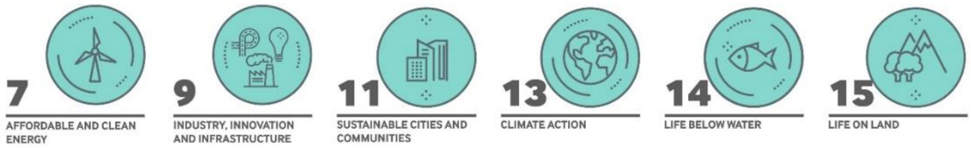
Second-Party Opinion — Green Bond Framework

Germany is a European sovereign issuer. It published an updated green bond framework in 2026. The use of proceeds (UoP) categories included in the framework are transport, international cooperation, research, energy and resources, and ecosystems. Transactions under the framework are aligned with the core pillars of the ICMA Green Bond Principles.

Excellent ✓ | Good | Aligned | Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Good	• Sustainable Fitch views the eligible expenditures related to transport, international cooperation, research, energy and resources, and ecosystems to contribute to the EU's environmental objectives and support Germany's national sustainability objectives. • We further view the eligible expenditures to substantially contribute to the UN Sustainable Development Goals (SDGs) listed below. • Germany screens all expenditures for alignment with the EU taxonomy; however, not all projects are eligible under the taxonomy or provide sufficient evidence of meeting all relevant criteria.
Use of Proceeds – Other Information	Excellent	• We positively view Germany's full allocation of bond proceeds to prior-year expenditures, which enhances additionality, as well as its use of environmental and social exclusion criteria.
Evaluation and Selection	Excellent	• We positively consider the framework's clear process for selecting and annually screening eligible expenditures, the inclusion of relevant ministries in the core team to ensure robust checks and balances, and the multi-layered internal control structure overseen by the interministerial working group (IMWG), which reflects market best practice.
Management of Proceeds	Excellent	• We positively assess Germany's full allocation of bond proceeds at issuance and regular monitoring to ensure only qualifying expenditures are included.
Reporting and Transparency	Excellent	• We positively view Germany's commitment to annual allocation reporting, high granularity of allocated expenditures and the availability of a pre-issuance review; this enhances transparency and verification for investors.

Relevant UN Sustainable Development Goals



Framework Type	Green
Alignment	✓ Green Bond Principles 2025 (ICMA)
Date assigned	15 January 2026
SPO Methodology	
See Appendix B for definitions.	

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Use of Proceeds Summary – ICMA Categories

Green	Renewable energy Energy efficiency Pollution prevention and control Environmentally sustainable management of living natural resources and land use Terrestrial and aquatic biodiversity Clean transportation Climate change adaptation Green buildings

Source: Germany green bond framework (January 2026)

Note: The framework's categories of international cooperation, research and ecosystems can relate to various ICMA categories.

Framework Highlights

We consider transactions under this green bond framework to be aligned with the ICMA Green Bond Principles 2025 and assess the framework's alignment as 'Excellent'.

Germany first published its green bond framework on 24 August 2020, using it to issue green federal bonds and green federal notes from 2020 to 2025. The revised framework, dated 15 January 2026, updates and builds on the 2020 framework while preserving the core features of Green German Federal Securities.

From 2026 onward, Germany will issue all new green issuances and taps under the updated framework, with the country's Finance Agency conducting transactions via auction or syndication. Issuance-related communications will reference the new framework, with details available on the websites of the Finance Agency and the Federal Ministry of Finance.

The 2026 update to the framework, developed by the Federal Ministry of Finance in collaboration with the core green bond team and the IMWG, aligns its green bond programme with current market practice and incorporates lessons from prior issuances.

Enhancements include alignment with updated national and international climate, environmental and nature objectives; conformance with the ICMA Green Bond Principles 2025; clearer definitions and criteria within the UoP section; EU taxonomy mapping of eligible green expenditures; refined exclusions; stronger transparency in selection and risk management; earlier publication and reporting of eligible spending; and a shift from retrospective third-party verification to an annual second-party opinion confirming environmental benefits for the issuance year.

Germany's Sustainable Finance Strategy 2021 and the further development of the German Sustainability Strategy 2025 reaffirm the sovereign's commitment to sustainable finance and continuation of its green bond programme.

Source: Sustainable Fitch, Germany green bond framework (January 2026)

Entity Highlights

Germany targets the shift to a climate-neutral, resource-efficient and biodiversity-positive economy as both a policy mandate and a competitiveness strategy. National objectives are anchored in the German Sustainability Strategy, while the EU Green Deal and Clean Industrial Deal set the broader growth pathway toward climate neutrality in the EU by 2050.

Internationally, Germany aligns with the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework and the UN SDGs, channelling federal budget resources into investments, operations, R&D and knowledge transfer; this is also reflected in allocations to Green German Federal Securities.

Statutory targets under the Federal Climate Action Act include climate neutrality by 2045, and GHG emissions reduction of at least 65% by 2030 and 88% by 2040 compared to 1990. Decarbonisation spans energy, buildings, industry, transport and agriculture, as well as land use, land-use change and forestry, with measures such as rail upgrades, scaled electric vehicle charging, support for renewable fuels in hard-to-abate sectors and active travel initiatives.

Energy policy targets at least 80% renewables in gross electricity consumption by 2030, coal phase-out by 2038 at the latest (political ambition: 2030, subject to security of supply), and a 45% cut in final energy use by 2045 compared to 2008.

Industrial transition priorities include electrification, hydrogen, efficiency, circularity and lightweight construction. The nature policy is supported by the Natural Climate Protection Action Programme and the updated National Biodiversity Strategy 2030. Adaptation has a legal foundation in the first Federal Climate Adaptation Act and a precautionary strategy adopted in 2024; and environmental quality actions continue under the National Air Pollution Control Programme. Complementary resource frameworks include the National Water Strategy and the National Circular Economy Strategy 2024.

Recent context from German authorities and international bodies points to progress with execution risks. Germany's Umweltbundesamt (environment agency) indicates that emissions fell to multi-decade lows due to higher renewable generation; however, transport and buildings are off-track against annual decarbonisation pathways, requiring additional measures. The Federal Network Agency reports that renewables currently provide around half of electricity generation, with grid expansion and permitting being critical bottlenecks.

The International Energy Agency highlights the need for front-load electrification, accelerating hydrogen infrastructure for industry and maintaining security-of-supply arrangements through the coal exit. According to the UN, advanced economies must intensify action this decade to stay aligned with the 1.5°C goal. Germany's Sustainable Finance Strategy 2021 and the further development of the German Sustainability Strategy support continued green issuance and alignment with evolving market standards, helping mobilise capital and improve transparency for the energy transition.

Source: Sustainable Fitch, Germany green bond framework (January 2026)

<table>
<tr><th>Use of Proceeds – Eligible Projects</th><th colspan="2">Alignment: Good</th></tr>
<tr><th>Issuer Material</th><th colspan="2">Sustainable Fitch’s View</th></tr>
<tr><td colspan="3">Transport</td></tr>
<tr><td>
This category covers the expansion and improvement of clean and environmentally friendly transport systems, including:
the expansion and maintenance of infrastructure for electrified rail transport;
the promotion of climate-friendly transport, including combined transport; and
the promotion of public transport and rail transport.
It also covers the development of clean mobility with alternative drive technologies, including:
the financing of emissions-free vehicles;
the promotion and support of emissions-free mobility development; and
the installation of refuelling and charging infrastructure.
It also finances the promotion of cycling and walking, including:
the expansion and maintenance of cycling and pedestrian infrastructure; and
the promotion of cycling and walking.
</td>
<td>
We view this category to have a positive impact as it can contribute to cutting transport emissions; improving air quality and public health; and shifting trips to cleaner, more efficient modes of transport.
Transport is a key source of environmental pressure in Germany, as it is responsible for around 20% of national GHG emissions, with road traffic (cars and freight) being the main driver. It also significantly contributes to urban NOx and particulate matter pollution, noise, land take and habitat fragmentation.
Data from the International Energy Agency, European Environment Agency , UN and Germany indicate that meeting climate goals requires rapid renewable-powered vehicle electrification, modal shift to rail and public transport, expansion of cycling and walking, improved logistics efficiency, and use of sustainable fuels for aviation and shipping, to achieve emissions reductions alongside air-quality and public-health co-benefits.
Proven decarbonisation pathways for Germany to meet EU climate targets include investments in public transport, combined (intermodal) climate-friendly transport and rail transport in Germany that aim to cut GHG emissions, noise, congestion and costs while improving capacity, reliability, accessibility and health; as well as shifting passengers and freight to electric rail and intermodal logistics.
About 61% of Germany’s rail network is currently electrified; therefore, expanding electrification and services can deliver large additional emissions reductions and co-benefits. Germany has confirmed that the financed infrastructure is not dedicated to the transportation and storage of fossil fuels.
Financing zero-emissions vehicles, supporting clean-mobility development, and rolling out charging and hydrogen refuelling infrastructure speed up the shift from internal combustion engine fleets, cutting emissions and lowering operating costs and oil dependence. With targeted incentives, electric vehicles’ total ownership cost is often favourable.
These measures align with the EU’s “Fit for 55” CO_2 standards and the Alternative Fuels Infrastructure Regulation, delivering air-quality and health gains and accelerating the rollout across cars, vans, buses and trucks alongside rail and public transport.
Expanding and maintaining cycling and pedestrian infrastructure promotes walking and cycling, alongside reducing emissions and congestion, improving air quality and public health, enhancing safety and accessibility, and offering low-cost, equitable mobility options that complement public transport and shorten car trips.
We consider this category to be aligned with the ICMA Green Bond Principles category of clean transportation.
</td>
<td>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION</td></tr>
<tr><td colspan="3">International cooperation</td></tr>
<tr><td>
This category covers expenditures strengthening international cooperation to support emerging and developing countries in transitioning to a more environmentally friendly economy and promotion of international cooperation in this area. This includes:
expenditures for development projects related to nature, environment or climate; and
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<td>
We view this category to have a positive impact as it accelerates a just, global green transition by funding cooperation, capacity building and finance that reduce emissions, protect ecosystems and boost climate resilience in emerging and developing countries.
The climate and nature finance gap in emerging and developing economies is a major global problem that
</td>
<td>7 AFFORDABLE AND CLEAN ENERGY</td></tr>
</table>

– expenditures for international climate financing for global environmental protection.	constrains decarbonisation, adaptation and ecosystem protection. • International cooperation funds and climate finance (grants, concessional loans, guarantees, blended finance) can reduce capital costs, de-risk projects, enable technology transfer and capacity building, and support private investment into clean energy, resilience and nature-based solutions, helping close the financing gap and accelerate equitable transitions. • International cooperation can include EU projects, such as training for energy awareness under the Young Energy Europe programme, as well as loans and direct provision of renewable energy infrastructure and knowledge. We view this positively, although our assessment of this category is limited by the broad definition of the eligibility criteria, which constrains measurement of projects' direct impact. • International cooperation is not a standalone category under the ICMA Green Bond Principles; however, we consider it aligned with the principles under various categories, including renewable energy, energy efficiency, environmentally sustainable management of living natural resources and land use, and terrestrial and aquatic biodiversity.	13 CLIMATE ACTION 15 LIFE ON LAND
Research		
• This category finances the support and promotion of education and innovation on climate and environmental issues. This includes: – expenditures for renewable energy research and all types of energy storage (eg green hydrogen), energy efficiency, integration of renewables into power grids and energy transition; – expenditures for research on climate change, biodiversity, nature protection, environment and resource use; and – expenditures for research on coastal, marine and polar areas.	• This category accelerates solutions that reduce emissions, protect ecosystems and improve resilience by funding research, education and innovation across clean energy, efficiency, climate and biodiversity. • Persistent knowledge gaps can hinder effective decarbonisation and climate resilience, as evidenced by the Intergovernmental Panel on Climate Change's sixth assessment report and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services assessments. • Eligible expenditures in this category include focused research funding in renewable energy, energy storage (including green hydrogen), efficiency and grid integration; this advances technologies, reduces costs and resolves variability and systems challenges. • Research on climate change, biodiversity, nature protection, environment, and resource use highlights the urgent need for targeted mitigation, adaptation and sustainable management. Dedicated studies in coastal, marine and polar regions improve understanding of high-risk hotspots, enabling better forecasting, conservation and policy design; collectively, they accelerate informed, science-based pathways to the energy transition and ecosystem protection. • We positively view this UoP category, although our assessment is limited by the broad definition of the eligibility criteria, which constrains measurement of projects' direct impact. • Research is not a standalone category under the ICMA Green Bond Principles; however, we consider it aligned with the principles under various categories, including renewable energy, energy efficiency, environmentally sustainable management of living natural resources and land use, and terrestrial and aquatic biodiversity.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION
Energy and resources		
• This category finances the acceleration of the energy transition and expansion of renewable energy. This includes: – the generation and use of renewable energy as well as expansion and development of relevant infrastructure for electricity and district heating and cooling distribution; and	• We view this category to have a positive environmental impact. It supports the acceleration of the energy transition and expansion of renewable energy, the ramp-up of hydrogen use, improvements in energy and resource efficiency in industry, infrastructure expansion for energy efficiency, and climate change mitigation in both residential and public sector buildings.	7 AFFORDABLE AND CLEAN ENERGY

- the ramp-up of hydrogen use, including expansion of distribution and storage infrastructure, as well as production of green hydrogen.
- It also covers the increase of energy and resource efficiency in industry. This includes:
  - the development of more energy- and resource-efficient processes including in industry and green IT; and
  - the development and expansion of CO_2 capture, utilisation and storage technologies in sectors with unavoidable process emissions.
- It also finances infrastructure expansion to increase energy efficiency, which includes the expansion of broadband infrastructure.
- In addition, it finances the contribution to climate change mitigation and GHG reduction in existing and new residential buildings. This includes:
  - new construction and acquisition of climate-friendly residential buildings;
  - energy renovation of residential buildings to meet legal standards for new buildings according to the Building Energy Act 2020;
  - grants for the conversion to climate-friendly heating systems;
  - individual measures for energy improvement of residential buildings; and
  - measures and consulting services to improve energy efficiency and innovative demonstration projects.
- It also includes the contribution to climate change mitigation and GHG reduction in existing and new public sector buildings and facilities. This includes:
  - new construction and acquisition of climate-friendly public sector buildings; and
  - energy renovation of public buildings and municipal facilities.

- Germany's energy sector is undergoing a significant transformation, with a target to achieve at least 80% renewable energy in gross electricity consumption by 2030 and a 45% reduction in final energy consumption by 2045 compared to 2008. The sector is a major source of GHG emissions, and decarbonisation is central to national and EU climate targets.
- The acceleration of the energy transition and expansion of renewable energy have a positive environmental impact, as they support the generation and use of renewable energy and the development of infrastructure for electricity and district heating and cooling distribution.
- Our assessment of this sub-category is slightly limited by the framework's broad eligibility criteria, which do not distinguish between different renewable energy sources. This restricts our ability to evaluate zero-emissions sources such as wind and solar more positively than sources such as hydropower and hydrogen that may have other environmental impacts.
- Nonetheless, we positively recognise that the pre-issuance reporting provides more granularity by detailing the specific types of renewable energy projects to be financed.
- The increase of energy and resource efficiency in industry has a positive environmental impact, as it supports the development of energy- and resource-efficient industrial processes and the expansion of CO_2 capture, utilisation and storage technologies in sectors with unavoidable process emissions.
- Our assessment of this sub-category is limited by the lack of distinction regarding the industrial processes to which proceeds could be applied, as these may be associated with potential negative impacts. However, we positively view the commitment to pre-issuance reporting, which provides greater granularity to investors, enabling more proactive identification and management of such impacts.
- The infrastructure expansion to increase energy efficiency has a positive environmental impact, as it supports the expansion of fibre-optic broadband infrastructure to increase energy efficiency, with funds directed to upgrading digital networks.
- Improved broadband infrastructure enables more efficient energy management and supports the digitalisation of energy systems, which is important for reducing energy consumption and emissions in Germany, in line with the country's sustainability strategy.
- The contribution to climate change mitigation and GHG emissions reduction in existing and new residential buildings has a positive environmental impact, as it finances construction and acquisition of climate-friendly residential buildings, energy-efficient renovation to meet legal standards, conversion to climate-friendly heating systems, and individual energy improvement measures.
- We view positively that Germany applies the technical thresholds set out in the EU taxonomy for new buildings as well as for the acquisition and ownership of existing buildings.
- We view this contribution to climate change mitigation and GHG emissions reduction in existing and new public sector buildings and facilities to have a positive environmental impact. However, similarly to the previous UoP, our assessment of this category was limited by the lack of a clear definitions for energy performance, building labels or other specific environmental thresholds for financed buildings.
- This eligible project category is in line with the ICMA Green Bond Principles' project categories of renewable energy,

	energy efficiency, pollution prevention and control, and green buildings.
Ecosystems	
• This category finances the promotion of environmentally friendly agricultural and forestry practices, including the promotion of climate-friendly, resource-efficient and organic agriculture and forestry. • This category also finances the protection and preservation of natural landscapes, ecosystems and biodiversity. This includes: – the implementation of Germany's national biodiversity strategy; – expenditures for the expansion, preservation and restoration (including pollution control) of natural landscapes and protected areas; – the implementation of the Federal Action Plan on Nature-based Solutions for Climate and Biodiversity; – the development of soil biodiversity monitoring to improve data; – the promotion of projects in the field of environmentally friendly use of resources; and – grants for environmental protection associations and initiatives. • It also finances climate-adapted urban and rural development. This includes: – adaptation measures to address climate change (heat, drought, heavy rain, preservation and development of biodiversity) enabling development and modernisation of green and open spaces; and – coastal protection and preventive flood protection measures.	• We positively view this category as these expenditures help reduce GHG emissions, improve soil and water quality, protect and restore habitats, support biodiversity and increase resilience to climate change through sustainable agriculture, expanded protected areas, nature-based solutions, and climate-adapted urban and rural development. • Germany faces significant environmental challenges, including a decline in farmland bird populations, soil degradation affecting around 20% of agricultural land, and increasing climate risks, with droughts affecting crop yields. • This UoP category directly addresses these issues by promoting sustainable agriculture and forestry; expanding protected areas, which Germany aims to increase to 30% by 2030; and supporting climate adaptation measures such as flood protection and urban greening. • As a result, it contributes to restoring biodiversity, improving soil and water quality, and enhancing resilience to climate change, supporting Germany's targets for GHG reduction and ecosystem health. • We positively view the promotion of environmentally friendly agricultural and forestry practices, as it supports the protection and restoration of ecosystems, helps reverse biodiversity loss and improves soil health through sustainable land management. • Germany follows the UN Food and Agriculture Organization's definition of sustainable agricultural development, focusing on resource management and long-term needs. Germany's funding guidelines further define requirements to ensure sustainable agriculture and food production is ecologically viable, economically sustainable and socially responsible. • Alongside sustainable agriculture, expenditures in this category include investments in energy efficiency and the use of renewable energy, where funding is not limited to ecological farming practices. The expenditures can include subsidies aimed at the reduction of CO_2 emissions from energy use in agriculture, such as investments in renewable energy at the farm level. This is in line with the Climate Bonds Initiative's criteria for agriculture production. • Germany effectively bans GMO crop cultivation using the EU's "opt-out" clause, a directive allowing member states to prohibit or restrict GMOs on their territory. • We positively consider climate-adapted urban and rural development, as it helps cities and rural areas adapt to climate change by reducing risks from heat, drought and flooding, while preserving and enhancing green spaces and biodiversity. Coastal and flood protection measures safeguard communities and ecosystems, making environments more resilient and liveable for people and wildlife. • This eligible project category is in line with the ICMA Green Bond Principles' project categories of environmentally sustainable management of living natural resources and land use and climate change adaptation.
Source: Germany green bond framework (January 2026)	Source: Sustainable Fitch based on Germany green bond framework (January 2026), information from relevant government ministries and Deutsche Bahn AG

Use of Proceeds – Other Information	Alignment: Excellent
Issuer Material	**Sustainable Fitch's View**
• Green German Federal Securities issued in a calendar year (issuance year n) are allocated to eligible green expenditures of the immediately preceding calendar year (issuance year n-1). • Expenditures related to tobacco, gambling, nuclear energy, weapons and fossil fuels are excluded from Green German Federal Securities. Additionally, expenditures already linked to specific funding sources in the German budget or allocated to other green bonds (such as those from the EU or KfW) are not eligible, to prevent double counting.	• We view positively that the German government has committed to fully allocate bond proceeds to expenditures from the preceding budget year. The limited lookback period enhances the additionality of the bonds. • All federal budget expenditures must comply with relevant legislation and undergo regular review by ministries. European and national laws, along with climate, environmental and social standards, help prevent and minimise adverse impacts. Social safeguards ensure protection against modern slavery and child labour, and uphold human rights. • The framework includes clear exclusion criteria, with violations resulting in reclaimed funds and possible prosecution. Ministries will notify the core green bond team of any significant negative impacts identified, potentially leading to reallocation of funds. Controversial or high-risk projects are excluded from financing.
Source: Germany green bond framework (January 2026)	Source: Sustainable Fitch

Evaluation and Selection	Alignment: Excellent
Issuer Material	**Sustainable Fitch's View**
• Germany selects eligible green expenditures for Green German Federal Securities through a transparent process led by the core green bond team and overseen by the IMWG, involving relevant ministries. • Expenditures are chosen from the federal budget based on their alignment with climate, environmental and nature-protection goals, and are confirmed after fiscal year-end, with exclusion criteria and risk management considered. The core green bond team also ensures proper reporting. • The selection of eligible projects is based on the expenditures' contribution to the ICMA Green Bond Principles, a best-effort screening of the criteria of the EU taxonomy and their contribution to the UN SDGs. • The IMWG, chaired by the Federal Ministry of Finance and comprising representatives from key federal ministries, makes fundamental decisions and selects eligible green expenditures for Green German Federal Securities, while the core green bond team handles operational tasks; both groups' compositions are reviewed regularly and published online.	• We view positively that the framework clearly outlines the process for the selection and evaluation of eligible expenditures. Germany also intends to screen eligible expenditures annually for their alignment with the commitments outlined in the framework. • We also positively view that the core team includes relevant sustainability competences, including ministries with core responsibilities for climate, environment and nature protection (currently the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety). This multi-team committee ensures relevant checks and balances for the selection and evaluation of eligible expenditures. • The internal control structure is multi-layered, as the core green bond team includes members from the Federal Ministry of Finance, the Finance Agency and ministries with core responsibilities for climate, environmental and nature protection, with the IMWG overseeing the core green bond team. We view this as market best practice.
Source: Germany green bond framework (January 2026)	Source: Sustainable Fitch

Management of Proceeds	Alignment: Excellent
Issuer Material	**Sustainable Fitch's View**
• Proceeds from issuances are used within the unified debt management system of Germany, with a virtual allocation of the nominal value to eligible green expenditures. • Germany allocates the full nominal value of Green German Federal Securities issued each year to eligible green expenditures from the previous year, ensuring transparency and compliance through budget reporting and auditing. • If an allocated expenditure no longer meets eligibility criteria, Germany will reallocate proceeds to other eligible green expenditures.	• Germany virtually allocates eligible expenditures in its debt management systems; this is in line with standard market practice. • We positively view that the bond proceeds are fully allocated at issuance; this prevents any unallocated proceeds from being managed outside the framework's eligibility criteria. • We also positively assess that the allocation is regularly monitored, and potentially ineligible projects are removed from the list of expenditures and replaced with those that meet the requirements.
Source: Germany green bond framework (January 2026)	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Issuer Material	**Sustainable Fitch's View**
• Each year, the Finance Agency publishes an overview of eligible green expenditures for Green German Federal Securities on its website.	• We view positively that Germany has committed to providing allocation reporting annually until full allocation, with updates in case of significant changes to the allocation.

Reporting and Transparency	Alignment: Excellent
Issuer Material	**Sustainable Fitch's View**
• The Finance Agency annually reports on the allocation of proceeds to eligible green expenditures, detailing new issuances, increases and breakdowns by expenditure, budget item and eligible project category. • Germany publishes an annual impact report on eligible green expenditures, detailing climate and environmental contributions, indicators and methodologies, to ensure transparency for investors, with reporting aligned to the ICMA Harmonised Framework for Impact Reporting and data provided by responsible ministries. • While the sovereign is not subject to taxonomy reporting under Article 8 of the EU Taxonomy Regulation, it may publish and update information on the eligibility and alignment of green expenditures with the EU taxonomy, disclosing the degree of alignment and the review methods used to enhance transparency.	• We view the granularity of allocated proceeds as high, with a split between eligible project categories, as well as individual expenditure items from the respective budget year. • Germany has committed to maintaining its reporting approach, ensuring that the nominal value of each bond is allocated to eligible green expenditures; we view this as best practice. • Germany uses a refinancing approach, allocating green bond proceeds exclusively to eligible green expenditures from the prior fiscal year, ensuring full allocation at issuance. The green bond volume does not exceed identified eligible expenditures, and any unused expenditures provide flexibility for reallocation. We positively view that this ensures that all proceeds will be fully allocated at issuance. • Alongside our Second-Party Opinion, we provided a pre-issuance review on the expenditure level for 2025. We positively view that this granular review enhances transparency to investors, as well as verifies that allocated expenditures meet the criteria set out in the framework.
Source: Germany green bond framework (January 2026)	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services.
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.

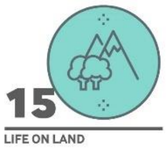
- **9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

- **11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
- **11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
- **11.c:** Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials.

- **13.2**: Integrate climate change measures into national policies, strategies and planning.
- **13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- **14.1:** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.
- **14.2:** By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

- **15.1**: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- **15.5:** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.



Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Green

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	Yes
Clean transportation	Yes
Sustainable water and wastewater management	No
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	Yes
Other	Financed projects within international cooperation, research and ecosystems were mapped to various ICMA categories.

2) Project Evaluation and Selection	
Evaluation and Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability	
Evaluation and selection criteria subject to external advice or verification	Yes
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds	
Tracking of Proceeds	
Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes

Type of Instrument: Green	
Disclosure of intended types of temporary investment instruments for unallocated proceeds	No
Other	Refinancing approach ensures full allocation at issuance.

Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	Yes
Allocation to a portfolio of disbursements	No
Disclosure of portfolio balance of unallocated proceeds	No
Other	Refinancing approach ensures full allocation at issuance.

4) Reporting	
UoP Reporting	
Project-by-project	Yes
On a project portfolio basis	No
Linkage to individual instrument(s)	Yes
Other	Allocation reported at the expenditure level per project category, linked to annual issuances.

UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting	
Project-by-project	Yes
On a project portfolio basis	No
Linkage to individual instrument(s)	Yes
Other	Impact reported at the expenditure level per project category.

Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	No
Other ESG indicators	Impact report prepared by a third party with relevant indicators.

Type of Instrument: Green

Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	Impact will be reported on once and updated in case of significant changes to the allocation.

Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.