



KfW's Sustainable Finance Concept

German Development Bank's role for the Transformation of Economy and Society

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KFW

››› Sustainable Finance: KfW as a transformative promotional bank

The Federal climate protection program as an integral part of KfW's Sustainable Finance concept

Strategic goal: **Transformation of economy and society** to improve economic, social and ecological living **conditions** worldwide

Strengthening ESG risk management



- Identify risks earlier
- Protect asset positions
- Support Financial Market Stability

- Adequate ESG-risk **measurement** and **disclosure** at engagement and portfolio level
- Identification of risk factors for **earnings, assets and liquidity**
- Improving **risk transparency**, **risk monitoring** and **controlling**

SDG-Contribution of KfW commitments



- Making SDG-contributions transparent
- Integrate group-wide impact indicators in reporting systems
- Strengthening data management

- **SDG-Mapping** of KfW's new commitments makes intended positive impacts transparent
- **Impact reporting** strengthens KfW's database for impact-oriented decision making processes
- Harmonized impact management complements our established steering concept

Paris-alignment of KfW's financing activities



- Reaching Paris Climate goals
- Supporting economy in its transformation
- Enhancing sustainability in financial markets

- KfW's steering system is in line with the **Paris Climate Goals**
- Focus on **transformative, trend-setting technologies** in high-emission sectors
- **GHG-Accounting** tracks KfW's progress towards GHG-neutrality

Supporting the transformation and transition towards climate-neutrality

KfW as a transformative promotional bank

- Systematically investing in structural **chances of transformation, e.g. by promoting transformative technologies**
- Successfully shaping the **transition phase** for economy and society
- Refraining from commitments for outdated GHG-intense technologies without any value added on transition
- KfW's Paris-aligned steering concept is focused on new commitments in high-emission sectors
- Ensuring the fulfillment of KfW's broad **promotional mandate** in ecological, economic and social terms.

