

EXTERNAL REVIEW

Sustainability quality of the ESG selection criteria - MünchenerHyp Green Loans



MünchenerHyp

EVALUATION

ISS ESG considers the Green Loans, with its annual primary energy consumption of max. 55 kWh per m² of usable area and related energy efficiency certificates, to have a significant contribution to the financing of green buildings. The properties to be financed are therefore among the top 15% most energy efficient of the German housing market.

ROBERT HAßLER
ISS ESG
München, 15 June 2021

ISS ESG KPIs

ISS ESG's KPIs help demonstrate the sustainability quality and environmental and social added value of the Green Loans of MünchenerHyp. They define the eligibility of project categories and contain specific criteria to verify the sustainability performance of the green loan. Quantitative indicators make it possible to measure sustainability performance, set ambitious goals and carry out meaningful reporting. In addition, impact indicators provide specific information on ecological added value (e.g. average energy consumption of the residential buildings financed by the loan compared with the average energy consumption of residential buildings in Germany).

USE OF PROCEEDS

MünchenerHyp Green Loans

MünchenerHyp has launched a loan program that grants loans with preferential conditions for energy-efficient residential buildings. The mortgage loans can be used to finance new buildings as well as for purchase, modernization and follow-up financing if the following criteria are met:

- The annual primary energy consumption of the residential property to be financed is less than or equal to 55 kWh / m² per year. The properties to be financed are therefore among the top 15% energy efficient in the German housing market.

The ecological benefit of the MünchenerHyp Green Loans lies in climate protection and the efficient use of energy and resources. However, it should be ensured that the significant positive effects are not diminished by adverse effects in other areas. It is therefore necessary to consider possible risks, e.g. in relation to possible repayment difficulties for private borrowers and negative environmental effects such as insufficient energy / resource efficiency.

SUSTAINABILITY CRITERIA AND QUANTITATIVE INDICATORS

Energy efficiency of the buildings

- Percentage of loans that are used for residential buildings that achieve at least EPC label "B" (on a scale from H to A+) and therefore belong to the top 15% energy efficient buildings in Germany.

Social standards during construction

- Percentage of assets that provide for high labour and health and safety standards (e.g. ILO core conventions).

Responsible treatment of customers with debt repayment problems

- Percentage of assets that provide for pre-emptive actions to prevent client debt repayment problems (e.g. covenants limiting indebtedness, conservative loan-to-value ratios, long-term fixed interest rates).
- Percentage of assets that provide for sustainable solutions for customers with debt repayment problems (e.g. debt counselling, foreclosure as a last resort).
- Percentage of assets for which the creditor excludes the selling of contractually serviced loans or has implemented measures to ensure clients do not face unfavourable conditions as a result of the sale (e.g. required customer consent in case of sale, written confirmation of non-detrimental conditions).