

# Commerzbank Green Bond 2018

**Type of Engagement:** Annual Review

**Date:** September 2020

**Engagement Leader:**

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## Introduction

In 2018, Commerzbank AG (or the “Bank”) issued a green bond aimed at financing renewable energy projects. In September 2020, the Bank engaged Sustainalytics to review the projects funded through the issued green bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Commerzbank Green Bond Framework.

## Evaluation Criteria

Sustainalytics evaluated the projects and assets funded as of 30 June 2020 based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Commerzbank Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Commerzbank Green Bond Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

**Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs**

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable Energy	<ul style="list-style-type: none"> <li>• Offshore and onshore wind energy</li> <li>• Solar energy</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy capacity financed</li> <li>• Energy output</li> <li>• Estimated avoidance of CO<sub>2</sub> emissions</li> </ul>

## Issuing Entity’s Responsibility

Commerzbank is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the Bank’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Commerzbank employees and review of documentation to confirm the conformance with the Commerzbank Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Commerzbank with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by the Bank.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>1</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Commerzbank's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Commerzbank Green Bond Framework. Commerzbank has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of October 2018.

## Detailed Findings

**Table 3: Detailed Findings**

<b>Eligibility Criteria</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of the projects funded by the green bond as of June 2020 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Commerzbank Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the projects funded by the green bond in 2018 to determine if impact of projects was reported in line with the KPIs outlined in the Commerzbank Green Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

<sup>1</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

## Appendices

### Appendix 1: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Environmental Impact Reported by Eligibility Criteria		
		Projects in Operations	Projects under Construction
Renewable Energy	Renewable energy produced (GWh)	722	856 (estimate per annum)
	Renewable energy installed capacity financed (MW)	311	231
	CO <sub>2</sub> emissions avoided (tonnes)	312,494	412,838 (estimate per annum)

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**The**  
**Green Bond**  
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