

Commerzbank AG Green Bonds

Type of Engagement: Annual Review

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Engagement Team:

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Introduction

In 2018 and 2020, Commerzbank AG (“Commerzbank” or the “Bank”) issued green bonds (“GB I” and “GB II”) aimed at financing renewable energy projects. In 2021, the Bank engaged Sustainalytics to review the projects funded through the issued green bonds 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 2021 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"> • Offshore and onshore wind energy • Solar energy 	<ul style="list-style-type: none"> • Renewable energy capacity • Energy output • Estimated avoidance of CO2 emissions

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, amounts allocated, 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 Commerzbank’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,¹ 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 bonds, 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 bonds were fully allocated as of October 2018, and September 2020, respectively.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bonds as of June 2021 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
Reporting Criteria	Verification of the projects funded by the green bonds 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 and 2.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

¹ 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 and Allocation Reporting by Eligibility Criteria – GB I

Use of Proceeds Category	Environmental Impact Reported by Eligibility Criteria			Net Bond Proceeds Allocation (EUR) million
		Projects in Operations	Projects under Construction	
Renewable Energy				503
	Renewable energy produced per annum (GWh)	1,294	497 (estimate)	
	Renewable energy installed capacity (MW)	477	182	
	CO2 emissions avoided per annum (tonnes)	460,829	97,775 (estimate)	

Appendix 2: Impact and Allocation Reporting by Eligibility Criteria – GB II

Use of Proceeds Category	Environmental Impact Reported by Eligibility Criteria			Net Bond Proceeds Allocation (EUR) million
		Projects in Operations	Projects under Construction	
Renewable Energy				502
	Renewable energy produced per annum (GWh)	1,667	267 (estimate)	
	Renewable energy installed capacity (MW)	593	88	
	CO2 emissions avoided per annum (tonnes)	590,680	81,477 (estimate)	

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