

# Commerzbank AG

**Type of Engagement:** Annual Review

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## Introduction

In October 2018, September 2020 and June 2022, Commerzbank AG (“Commerzbank” or the “Bank”) issued green bonds (“GB I”, “GB II” and “GB III”) under the Commerzbank Green Bond Framework<sup>1</sup> (the “Framework”) aimed at financing or refinancing loans for renewable energy projects. Sustainalytics provided a Second-Party Opinion on the Framework in September 2018.<sup>2</sup> In September 2022, Commerzbank engaged Sustainalytics to review the assets financed through the issued green bonds and provide an assessment as to whether they met the use of proceeds criteria and the reporting commitments outlined in the Framework. Between October 2018 and June 2022, Commerzbank used the bonds’ proceeds to finance loans for renewable energy projects. As of June 2022, the Bank has assigned loans with a combined total value of EUR 1.5 billion<sup>3</sup> in different locations in Europe and North America. This is Sustainalytics’ fourth annual review of Commerzbank’s green bonds, following earlier reviews in 2019, 2020 and 2021.

## Evaluation Criteria

Sustainalytics evaluated the assets financed as at June 2022 with proceeds from the green bond issuances based on whether they:

1. Met the use of proceeds and eligibility criteria outlined in the Framework and
2. Reported on at least one of the KPIs for each use of proceeds category in the 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	KPIs
<b>Renewable Energy</b>	Loans to finance equipment, development, manufacturing, construction, operation, distribution and maintenance of the following renewable energy generation sources: <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 (in MW)</li> <li>• Energy output (in kWh)</li> <li>• Estimated avoidance of CO<sub>2</sub> emissions (in tonnes)</li> </ul>

## Issuing Entity’s Responsibility

Commerzbank is responsible for providing accurate information and documentation relating to the details of the assets that have been financed, including a description, amounts allocated and their impact.

<sup>1</sup> Commerzbank AG, “Commerzbank Green Bond Framework”, (2018), at:

[https://www.commerzbank.com/media/aktionaere/fremdkapitalgeber/green\\_bond/2018\\_10/Commerzbank\\_Green\\_Bond\\_Framework.pdf](https://www.commerzbank.com/media/aktionaere/fremdkapitalgeber/green_bond/2018_10/Commerzbank_Green_Bond_Framework.pdf)

<sup>2</sup> Commerzbank AG, “Commerzbank Green Bond Second-Party Opinion”, (2018), at:

[https://www.commerzbank.com/media/aktionaere/fremdkapitalgeber/green\\_bond/2018\\_10/Green\\_Bond\\_SPO\\_Commerzbank\\_Sept\\_2018.pdf](https://www.commerzbank.com/media/aktionaere/fremdkapitalgeber/green_bond/2018_10/Green_Bond_SPO_Commerzbank_Sept_2018.pdf)

<sup>3</sup> Exact amount as of June 2022: EUR 1,510,469,708.81

## 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 bonds’ use of proceeds. The work undertaken as part of this engagement included the collection of documentation from Commerzbank employees and review of documentation to assess 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 Commerzbank.

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>4</sup> nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed assets, funded through proceeds of Commerzbank’s green bonds, are not in conformance with the use of proceeds and reporting criteria outlined in the Framework. Commerzbank has disclosed to Sustainalytics that the proceeds of the green bonds GB I, GB II and GB III were fully allocated as of June 2022.

## Detailed Findings

**Table 2: 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 assets financed through GB I, GB II and GB III to determine if they aligned with the use of proceeds criteria outlined in the Framework and above in Table 1	All assets reviewed complied with the use of proceeds criteria	None
<b>Reporting Criteria</b>	Verification of the assets financed through GB I, GB II and GB III to determine if the impact of assets was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendices 1, 2 and 3.	All assets reviewed reported on at least one KPI per use of proceeds criterion	None

<sup>4</sup> Sustainalytics’ limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including the 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

	Wind Onshore	Wind Offshore	Solar PV	Total
Amount of assets (EUR) assigned to GB I as of June 2022	99,539,705.91	212,235,023.52	191,263,948.26	503,038,677.69
Net bond proceeds of GB I (EUR)	-			500,000,000

Use of Proceeds Category – Renewable Energy	KPI values in 2021 <sup>5</sup>					
	Installed capacity in MW		Production in kWh		CO <sub>2</sub> emissions avoidance in tonnes	
	Projects in operation	Projects under construction	Projects in operation	Projects under construction (estimate per annum)	Projects in operation	Projects under construction (estimate per annum)
Wind Onshore	245.5	0.0	674,767,149.3	0.0	219,075.0	0.0
Wind Offshore	145.9	17.5	498,031,304.3	79,787,204.0	141,846.0	28,125.0
Solar PV	87.7	164.4	99,438,942.7	388,938,527.7	24,947.0	136,888.0
<b>Total</b>	<b>479.1</b>	<b>181.9</b>	<b>1,272,237,396.3</b>	<b>468,725,731.7</b>	<b>385,868.0</b>	<b>165,013.0</b>

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

	Wind Onshore	Wind Offshore	Solar PV	Total
Amount of assets (EUR) assigned to GB II as of June 2022	271,242,708.72	65,109,799.39	167,073,621.11	503,426,129.22
Net bond proceeds of GB II (EUR)	-			500,000,000

Use of Proceeds Category – Renewable Energy	KPI values in 2021 <sup>6</sup>					
	Installed capacity in MW		Production in kWh		CO <sub>2</sub> emissions avoidance in tonnes	
	Projects in operation	Projects under construction	Projects in operation	Projects under construction (estimate per annum)	Projects in operation	Projects under construction (estimate per annum)
Wind Onshore	453.3	0.0	1,341,192,745.1	0.0	440,042.0	0.0

<sup>5</sup> Impact figures are calculated using production data from the last available full year (2021) and are based on the total volume of assets (EUR 503,038,677.69) as opposed to the net proceeds from GB I (EUR 500,000,000).

<sup>6</sup> Impact figures are calculated using production data from the last available full year (2021) and are based on total volume of assets (EUR 503,426,129.22) as opposed to the net proceeds from GB II (EUR 500,000,000).

<b>Wind Offshore</b>	25.3	0.0	82,046,450.8	0.0	13,702.0	0.0
<b>Solar PV</b>	199.7	75.9	310,085,139.9	265,097,771.4	101,849.0	93,447.0
<b>Total</b>	678.3	75.9	1,733,324,335.8	265,097,771.4	555,593.0	93,447.0

### Appendix 3: Impact and Allocation Reporting by Eligibility Criteria – GB III

	Wind Onshore	Wind Offshore	Solar PV	Total
<b>Amount of assets (EUR) assigned to GB III as of June 2022</b>	310,874,895.44	95,445,798.67	97,684,207.79	504,004,901.90
<b>Net bond proceeds of GB III (EUR)</b>	-			500,000,000

Use of Proceeds Category – Renewable Energy	KPI values in 2021 <sup>7</sup>					
	Installed capacity in MW		Production in kWh		CO <sub>2</sub> emissions avoidance in tonnes	
	Projects in operation	Projects under construction	Projects in operation	Projects under construction (estimate per annum)	Projects in operation	Projects under construction (estimate per annum)
<b>Wind Onshore</b>	80.3	484.1	190,743,569.1	1,294,876,318.3	67,237.0	456,444.0
<b>Wind Offshore</b>	47.6	0.0	74,248,089.0	0.0	17,077.0	0.0
<b>Solar PV</b>	114.6	64.3	264,586,556.9	56,951,654.4	92,451.0	18,364.0
<b>Total</b>	242.5	548.4	529,578,215.0	1,351,827,972.7	176,765.0	474,808.0

<sup>7</sup> Impact figures are calculated using production data from the last available full year (2021) and are based on total volume of assets (EUR 504,004,901.90) as opposed to the net proceeds from GB III (EUR 500,000,000).

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