

DekaBank Deutsche Girozentrale

Type of Engagement: Annual Review

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Introduction

In September 2020, DekaBank Deutsche Girozentrale (“DekaBank”) developed the DekaBank Green Bond Framework (“the Framework”) to issue green bonds aimed at financing (i) renewable energy and (ii) green building projects. Sustainalytics provided a Second-Party Opinion of this Framework.¹ In September 2021, DekaBank engaged Sustainalytics to review the projects funded through the issued green bonds and provide an assessment as to whether the projects meet the Use of Proceeds criteria and the Reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the green bond issuances based on whether the companies financed:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the DekaBank 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 DekaBank Green Bond Framework.

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

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

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable Energy	Loans to finance or refinance equipment, development, construction, operation, distribution, infrastructure and maintenance of renewable energy sources; as well as the connection of renewable energy production units to the electricity grid and the transportation through the network. Renewable energy sources can include: <ul style="list-style-type: none"> • On-and offshore wind energy • Solar energy 	<ul style="list-style-type: none"> • Renewable energy capacity financed • Energy output • Estimated annual GHG emissions avoided in tons of CO₂ equivalent
Green Buildings	Loans to finance or refinance new or existing commercial real estate buildings meeting any of the following criteria – LEED Gold and above, BREEAM Very Good and above, DGNB Gold and above, HQE Excellent and above, and new or recently built commercial real estate properties belonging to the top 15% of the commercial real estate stock in terms of local energy performance in Germany, UK or France.	<ul style="list-style-type: none"> • Estimated ex-ante annual energy consumption in kWh/m² or energy savings in MWh • Estimated annual GHG emissions reduced/avoided in tons of CO₂ equivalent

¹ DekaBank’s 2020 Green Bond Framework and Sustainalytics’ SPO are available on DekaBank’s website, at: <https://www.deka.de/deka-group/investor-relations-en/own-issues/green-bond-en>

Issuing Entity's Responsibility

DekaBank 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 DekaBank's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from DekaBank employees and review of documentation to confirm the conformance with the DekaBank Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by DekaBank 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 DekaBank.

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,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of DekaBank's green bonds, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the DekaBank Green Bond Framework. DekaBank has disclosed to Sustainalytics that it raised a total of EUR 94,973,000 between October 2020 and June 2021, and the proceeds are fully allocated towards eligible green projects as of 31 August 2021³.

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 issued between October 2020 and June 2021 to determine if projects aligned with the Use of Proceeds Criteria outlined in the DekaBank 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 issued between October 2020 and June 2021 to determine if impact of projects was reported in line with the KPIs outlined in the DekaBank Green Bond Framework and above in Table 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

² 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.

³ The proceeds from the green bonds have been allocated to a portfolio of loans towards eligible projects. The portfolio totals EUR 178,157,000 as of 31 August 2021. See Appendix 1 for more information.

Appendices

Appendix 1: Allocation and Impact Reporting by Eligibility Criteria⁴

Use of Proceeds Category	Technology	Amount allocated (EUR)	DekaBank's share of capacity (MW) ⁵	Energy production 2020 (GWh)	Planned energy production (GWh/year)	Annual estimated CO ₂ reduction (tCO ₂ e equivalent/year) ⁶
Renewable Energy	Solar energy	37,425,000	21	37	37	13,203
	Onshore wind energy	140,732,000 ⁷	502	Not yet operational	1,494	70,216
Total		178,157,000	523	37	1,531	83,420

⁴ Data as of 31 August 2021

⁵ In cases where DekaBank does not finance the entire project, DekaBank's share of the capacity is obtained by multiplying the total installed capacity with DekaBank's share of financing.

⁶ The annual CO₂ reduction is estimated by multiplying the total annual amount of power generated in MWh by a country-specific CO₂ emissions factor (Source: International Energy Agency Emissions Factors 2019).

⁷ In addition, DekaBank has open commitments totaling EUR 38,650,000 in onshore wind projects.

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