

Second-Party Opinion

Commerzbank Green Bond

Evaluation Summary

Sustainalytics is of the opinion that the Commerzbank Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the financing of offshore and onshore wind energy and solar energy projects will contribute to GHG reduction targets globally, particularly in Germany, and advance several UN Sustainable Development Goals.



PROJECT EVALUATION / SELECTION Commerzbank's internal process in evaluating and selecting projects is aligned with market standards. Commerzbank's Green Bond Committee, which is responsible for final evaluation of eligible projects, includes one representative from the departments of Commerzbank Group Treasury, Corporate Responsibility, Investor Relations and Debt Capital Markets – Bonds, as well as a representative of the business unit for the relevant assets.



MANAGEMENT OF PROCEEDS Commerzbank's processes for management of proceeds is aligned with market practice, including processes to record and monitor allocation of proceeds. Unallocated proceeds will be invested into "high-quality Green Bonds of European issuers".



REPORTING Commerzbank intends to report on the allocation of proceeds, including allocated amount, amount allocated per technology, geographic region, year of first drawdown and maturity year of the refinanced loan on an annual basis on its website. In addition, Commerzbank is committed to reporting on renewable energy capacity, energy output and CO₂ emissions avoided from the financed projects. In Sustainalytics' view, reporting on these metrics is in line with market practice.

Evaluation date	September, 2018
Issuer Location	Frankfurt, Germany

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Introduction

Founded in Hamburg in 1870, Commerzbank is the second-largest private bank in Germany. The bank's operations spread over more than 50 countries, with Germany and Poland serving as its core markets. Commerzbank provides banking and capital market services to private and small business customers, corporate clients, multinationals, financial service providers and institutional clients.

Commerzbank has developed the Commerzbank Green Bond Framework (the "framework") under which it is planning to issue multiple green bonds and use the proceeds to finance and refinance, in whole or in part, existing loans not older than three years and future loans for projects that contribute to climate change mitigation and a transition to a more environmentally-friendly and sustainable economy. The framework defines eligibility criteria in two areas:

1. Offshore and onshore wind energy
2. Solar energy

Commerzbank engaged Sustainalytics to review the Commerzbank Green Bond Framework and provide a second-party opinion on the alignment of the green bond with the Green Bond Principles 2018 (the "GBP") as administered by the International Capital Market Association (the "ICMA")¹ and the framework's environmental credentials. This framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of Commerzbank's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Commerzbank's green bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Commerzbank Green Bond Framework and should be read in conjunction with that framework.

¹ ICMA's Green Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² Commerzbank's Green Bond Framework <https://www.commerzbank.com/greenbond>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Commerzbank Green Bond Framework

Summary

Sustainalytics is of the opinion that the Commerzbank Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of Commerzbank's green bond framework:

- Use of Proceeds:
 - The proceeds are exclusively used to finance and refinance loans for renewable energy projects and supporting functions and equipment. These activities are recognized as impactful by the GBP.
 - While the Commerzbank Green Bond Framework includes refinancing of loans with a first drawdown up to three years ago, Commerzbank confirmed that the majority of loans are not older than two years.
- Project Selection Process:
 - Commerzbank has a dedicated Green Bond Committee with representatives from Commerzbank Group Treasury, Corporate Responsibility, Investor Relations and Debt Capital Markets – Bonds, as well as a representative of the business unit for the relevant assets. Preselection of renewable energy loans is conducted by Commerzbank's Competence Center Energy, with final evaluation by the Green Bond Committee. Sustainalytics had insight into Commerzbank's internal guidelines for project selection and evaluation and considers them to be credible and aligned with market practice.
- Management of Proceeds:
 - Commerzbank's management of proceeds is aligned with market practice, including processes to record and monitor the allocation of proceeds.
 - In addition, the Green Bond Committee reviews on a semi-annual basis the portfolio of assigned assets. If assigned assets are redeemed or no longer comply with the eligibility criteria, the relevant assets will be replaced with eligible assets, which is aligned with market standards.
 - In addition, unallocated proceeds will temporarily be invested in green bonds of European issuers.
- Reporting:
 - Aligned with market standards, Commerzbank commits to report on an annual basis on its website on the allocation of proceeds and impact of the use of proceeds. Allocation reporting includes allocated amount, amount allocated per technology, geographic region, year of first drawdown and maturity year of the refinanced loan. Impact reporting includes renewable energy capacity, energy output and CO2 emissions avoided from the financed projects.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that Commerzbank's green bond framework aligns with the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance and Strategy of Commerzbank

Contribution of framework to Commerzbank's sustainability strategy and targets

Sustainalytics has a positive view of Commerzbank's Green Bond Framework and its alignment with the bank's efforts to contribute to the transition towards a sustainable economy. Commerzbank has demonstrated its commitment to mitigating climate change through the following efforts:

In its Environmental Policy,³ Commerzbank commits to the sustainable development of its business, combating climate change, and protecting the environment. Moreover, corporate and project finance for renewable energies has been part of Commerzbank's loan portfolio since the mid-1980s.⁴ In 2003, Commerzbank established the Competence Center Energy, whose core business strategy is financing wind farms, solar parks and corporate clients in the field of renewable energy. In 2017, the Competence Center Energy's lending amounted to around EUR 5.2 billion.⁵

Moreover, Commerzbank is one of the largest financial supporters of renewable energy projects in Germany, financing almost 15% of the total wind power generated in the country. In 2017, the financing of renewable energy projects by technology included wind onshore (71%), solar power (15%), wind offshore (13%), and others (1%). In addition, Commerzbank targets to contribute a minimum of EUR 2.5 billion to direct and indirect lending efforts for renewable energy by 2020,⁶ indicating Commerzbank's efforts to increase its exposure to renewable energy.

Commerzbank's coal guidelines specify that no financing will be provided towards coal-fired power plants,⁷ indicating the importance of renewable energy in the company's business model. Sustainalytics considers the issuance of green bonds to be aligned with the company's sustainability strategy and contributing towards mitigating climate change and the transition to a sustainable economy.

In addition, Commerzbank has managed several green bonds in the past as underwriter, with a volume of EUR 5.5 billion managed in 2017,⁸ positioning Commerzbank well to issue its own green bonds.

Well positioned to address common environmental and social risks associated with projects

Based on the use of proceeds, there may be potential negative impacts on biodiversity and surrounding communities associated with largescale wind and solar renewable energy projects.

Sustainalytics is of the opinion that Commerzbank is well positioned to mitigate related risks as follows:

- Commerzbank evaluates transactions, products and customer relationships on their environmental impact, which can result in setting environmental conditions, or turning down transactions, products or customers, where deemed necessary.⁹
- Commerzbank provided internal documents to Sustainalytics, which show that the company's due diligence process for renewable energy projects includes compliance with regulatory conditions for construction permits. Given the strong regulatory framework regarding environmental impact assessments and community consultation for large scale construction projects in the EU¹⁰ and North America¹¹, Sustainalytics considers Commerzbank's due diligence process robust when accounting for related environmental and social risks. Environmental impacts are generally considered in the decision-making process of Commerzbank's Competence Center Energy even if environmental impact assessments are not demanded by law.

³ Commerzbank Environmental Policy; https://www.commerzbank.de/media/nachhaltigkeit/v_oekologie/Umweltleitlinien_EN_2015.pdf

⁴ Combined separate non-financial report; https://www.commerzbank.de/media/nachhaltigkeit/nfe/Commerzbank_NFR_2017.pdf

⁵ Combined separate non-financial report; https://www.commerzbank.de/media/nachhaltigkeit/nfe/Commerzbank_NFR_2017.pdf

⁶ Combined separate non-financial report; https://www.commerzbank.de/media/nachhaltigkeit/nfe/Commerzbank_NFR_2017.pdf

⁷ Commerzbank Corporate Responsibility Magazine 2017;

https://www.commerzbank.de/media/nachhaltigkeit/viii_daten_fakten_berichte/CR_Magazine_2017_e.pdf

⁸ Combined separate non-financial report; https://www.commerzbank.de/media/nachhaltigkeit/nfe/Commerzbank_NFR_2017.pdf

⁹ Combined separate non-financial report; https://www.commerzbank.de/media/nachhaltigkeit/nfe/Commerzbank_NFR_2017.pdf

¹⁰ European Union Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment Text with EEA relevance: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32011L0092>

¹¹ US National Environmental Policy Act of 1969, 42 U.S. Code § 4321: <https://www.law.cornell.edu/uscode/text/42/4370a>; Government of Canada Basics of Environmental Assessments: <https://www.canada.ca/en/environmental-assessment-agency/services/environmental-assessments/basics-environmental-assessment.html#ceaa01>

Section 3: Impact of Use of Proceeds

All of Commerzbank's use of proceeds categories are recognized as impactful by GBP.

The importance of renewable energy for climate change mitigation in Germany and globally

Commerzbank intends to use the proceeds of the Commerzbank green bond to finance solar and wind energy projects mainly in Germany, but also in Italy, France, Spain, Finland as well as Canada, the US and Chile.

Globally, according to the Intergovernmental Panel on Climate Change (IPCC), the provision of energy services "contributed significantly to the historic increase in atmospheric GHG concentrations".¹² In order to keep the global temperature below 2°C, the International Renewable Energy Agency estimates that the share of renewable energy sources needs to increase to a 65% share of global primary energy supply by 2050, which indicates an increase of 15% compared to 2016 levels.¹³ Given that the US and the EU28 contribute 15% and 9% to global GHG emissions respectively, Sustainalytics considers the projects financed by Commerzbank to contribute to reducing global GHG emissions.

In the following paragraph we focus on the contribution of renewable energy in Germany, as the majority of financed projects are located there.

Overall, Germany aims to cut GHG emissions by 40% by 2020, by 55% by 2030 and up to 95% by 2050, compared to 1990 levels.¹⁴ As more than a third of Germany's greenhouse gas emissions come from the energy sector,¹⁵ part of the country's strategy to meet these targets is to increase the share of renewables in the gross final energy consumption to 60% by 2050 (Energiewende - Energy transition).¹⁶ In 2017, renewable energy contributed 34%, of final energy consumption, with wind power accounting for 14% (onshore) and 3% (offshore), and solar power for 6%.¹⁷ This demonstrates the important contribution of renewable energy projects in the German energy transition.

Given this context, Sustainalytics is of the view that Commerzbank's financing of renewable energy projects, especially wind and solar power, in Germany and abroad will play a positive role in reducing GHG emissions globally and supporting Germany's energy transition.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	3. Good health and well-being	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	7. Affordable and Clean Energy	7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment

¹² Renewable Energy Sources and Climate Change Mitigation; https://www.ipcc.ch/pdf/special-reports/srren/SRREN_FD_SPM_final.pdf

¹³ Renewable Energy: A key Climate Solution; https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Nov/IRENA_A_key_climate_solution_2017.pdf?la=en&hash=A9561C1518629886361D12EFA11A051E004C5C98

¹⁴ Climate Action in Figures: Emission Targets Germany and EU; https://www.bmu.de/fileadmin/Daten_BMU/Download_PDF/Klimaschutz/klimaschutz_in_zahlen_klimaziele_en_bf.pdf

¹⁵ Germany's Failed Climate Goals
A Wake-Up Call for Governments Everywhere; <https://www.bloomberg.com/graphics/2018-germany-emissions/>

¹⁶ The Energy of the Future: Fourth "Energy Transition" Monitoring Report- Summary, Berlin, Germany: Federal Ministry for Economic Affairs and Energy (BMWi). November 2015: https://www.bmwi.de/Redaktion/EN/Publikationen/vierter-monitoring-bericht-energie-der-zukunft-kurzfassung.pdf?__blob=publicationFile&v=16

¹⁷ Germany's Failed Climate Goals

A Wake-Up Call for Governments Everywhere; <https://www.bloomberg.com/graphics/2018-germany-emissions/>

	8. Decent work and economic growth	in energy infrastructure and clean energy technology 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
	9. Industry, innovation and Infrastructure	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
	13. Climate action	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Conclusion

Commerzbank is issuing a green bond, which is intended to finance and refinance loans for renewable energy projects (solar and wind) in Germany, Italy, France, Spain, Finland, Canada, the US and Chile to contribute to climate change mitigation and towards a more environmentally-friendly and sustainable economy.

The use of proceeds categories are aligned with those recognized as impactful by the Green Bond Principles and Sustainalytics considers that the projects will contribute to GHG emissions reductions globally and towards the German energy transition.

Commerzbank's projects selection and evaluation processes as well as management of proceeds is aligned with market practice. In addition, Commerzbank's annual reporting on proceed allocation and impact is aligned with market standards. Moreover, Commerzbank committed to an annual review of the use of proceeds and reporting by a third-party.

Based on the above points, Sustainalytics considers Commerzbank's green bond to be robust, credible and transparent.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	Commerzbank
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Commerzbank Green Bond
Review provider's name:	Sustainalytics
Completion date of this form:	September 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Executive Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The use of proceeds are exclusively used to finance and refinance loans for renewable energy projects and supporting function and equipment, which is recognized as impactful by the GBP. While the Commerzbank Green Bond Framework includes refinancing of loans with a first drawdown up to three years ago, Commerzbank confirmed that a majority of the loans is not older than two years.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

Commerzbank has a dedicated Green Bond Committee with representatives from departments of Commerzbank Group Treasury, Corporate Responsibility, Investor Relations and Debt Capital Markets – Bonds, as well as representative of the business unit for the relevant assets. Preselection of renewable energy loans is conducted by the Commerzbank's Competence Center Energy, with final evaluation by the Green Bond Committee. Sustainalytics had insight into Commerzbank's internal guidelines for project selection and evaluation and considers them to be credible and aligned with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Commerzbank's management of proceeds is aligned with market practice, including processes to record and monitor the allocation of proceeds.
In addition, the Green Bond Committee reviews on a semi-annual basis the portfolio of assigned assets. If assigned assets are redeemed or no longer comply with the eligibility criteria, the relevant assets will be replaced with eligible assets, which is aligned with market standards.
In addition, unallocated proceeds will temporarily be invested in green bonds of European issuers.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

Aligned with market standards, Commerzbank commits to report on an annual basis on its website on the allocation of proceeds and impact of the use of proceeds. Allocation reporting includes allocated amount, amount allocated per technology, geographic region, year of first drawdown and maturity year of the refinanced loan. Impact reporting includes renewable energy capacity, energy output and CO2 emissions avoided from the financed projects.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): amount of energy produced from renewable sources (capacity and output) |

Means of Disclosure

- | | |
|--|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): corporate website |

- ☒ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): Allocation and impact reporting will be reviewed on an annual basis by a third-party

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

Commerzbank corporate website: <https://www.commerzbank.com/en/hauptnavigation/home/home.html>

Commerzbank corporate website "Our Responsibility": <https://www.sustainability.commerzbank.com>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization and supports various stakeholders in the development and verification of their frameworks. Global Capital named Sustainalytics the "Most Impressive Second Party Opinion Provider in 2017". In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit www.sustainalytics.com

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