

DekaBank Deutsche Girozentrale

Type of Engagement: Annual Review

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Introduction

Between October 2020 and June 2022, DekaBank Deutsche Girozentrale (“DekaBank”) issued green bonds aimed at financing or refinancing projects related to the development and implementation of renewable energy projects, including on- and offshore wind and solar energy projects. In November 2022, DekaBank engaged Sustainalytics to review the projects funded with proceeds from those issuances (the “Nominated Projects”) and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the DekaBank Green Bond Framework 2020 (the “Framework”)¹. Sustainalytics provided a second-party opinion on the Framework in September 2020² and a previous annual review in October 2021³.

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects 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 key performance indicators (KPIs) for each use of proceeds category outlined in the Framework.

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	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 tonnes of CO₂ equivalent
Green Buildings	Loans to finance or refinance new or existing energy efficient commercial buildings in Germany, UK and 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 or avoided in tonnes of CO₂ equivalent

¹ DekaBank, “DekaBank Green Bond Framework”, (2020), at: <https://www.deka.de/deka-group/investor-relations-en/own-issues/green-bond-en>

² DekaBank, “Second Party Opinion”, (2020), at: <https://www.deka.de/deka-group/investor-relations-en/own-issues/green-bond-en>

³ DekaBank, “Annual Review”, (2021), at: <https://www.deka.de/deka-group/investor-relations-en/own-issues/green-bond-en>

Issuer's Responsibility

DekaBank is responsible for providing accurate information and documentation relating to the details of the Nominated Projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from DekaBank's green bonds. The work undertaken as part of this engagement included collection of documentation from DekaBank and review of said documentation to assess conformance with the DekaBank Green Bond Framework.

Sustainalytics relied on the information and the facts presented by DekaBank. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein 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 of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Projects do not conform with the use of proceeds and reporting criteria outlined in the DekaBank Green Bond Framework. DekaBank has disclosed to Sustainalytics that the proceeds of the green bonds were fully allocated as of August 2022.

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 between October 2020 to June 2022 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 with proceeds from the green bonds between October 2020 to June 2022 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. For a list of KPIs reported, please refer to Appendix 1.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

⁴ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation and Reported Impact by Eligibility Criteria⁵

DekaBank's green bonds raised EUR 143.7 million between October 2020 and June 2022, all allocated towards refinancing a portfolio of eligible green loans for eligible projects valued at EUR 208.8 million as of 31 August 2022.

Use of Proceeds Category	Technology	Amount allocated (EUR)	DekaBank's share of capacity (MW) ⁶	Energy production 2021 (GWh) ⁷	Planned energy production (GWh/year)	Annual estimated CO ₂ reduction (tCO ₂ e/year) ^{8,9}
Renewable Energy	Solar energy	33,641,000	21	37	37	6,863
	Onshore wind energy	175,196,000	502	494	1,494	49,013
Total		208,837,000	523	531	1,531	55,876

⁵ Reported impact data is as of 31 August 2022.

⁶ In most cases, DekaBank does not finance the entire project. DekaBank's share of the capacity, installed capacity and annual CO₂ reduction were calculated in proportion to Deka's share of the financing.

⁷ DekaBank has communicated to Sustainalytics that it totals energy production data every June for the preceding year. The energy production data for 2022 will be available on June 2023 and incorporated in the 2023 allocation report.

⁸ DekaBank calculates annual CO₂ reduction by multiplying the total annual amount of power generated in MWh by each country's specific CO₂ emissions factor, following the International Energy Agency Emissions Factors 2022.

⁹ CO₂ reduction for the entire project. For projects which were not operational for the whole of 2021, calculation of the annual CO₂ reduction is based on planned production.

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