



COMMERZBANK

Acting responsibly, growing sustainably

ESG FRAMEWORK



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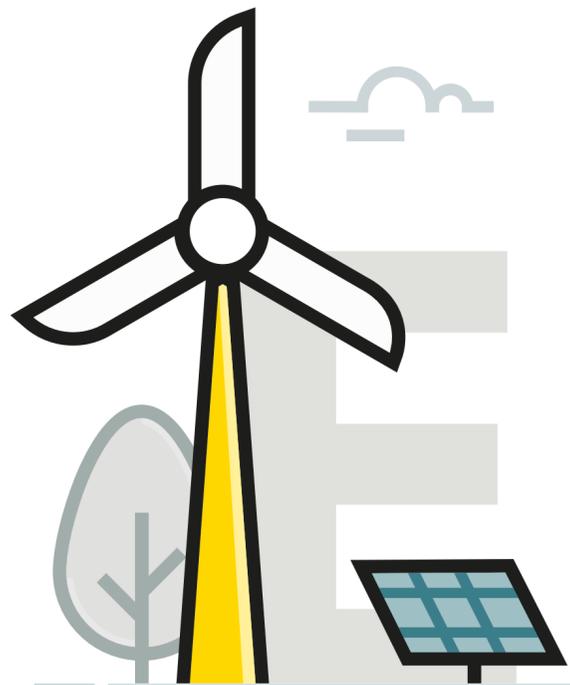
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Foreword by the Chairwoman of the Board of Managing Directors



The sustainable transformation of the global economic system is one of the greatest challenges of our time. To ensure a world worth living in for future generations, we must take decisive action now to mitigate climate change as much as possible and address issues such as human rights abuses. We can only achieve these goals if the political, business and scientific communities work together. Financial institutions have a special responsibility in this interplay, as the investments required for the green transformation are huge. For the Green Deal alone, the EU Commission estimates them at around € 620 billion per year. As Commerzbank, we are fully aware of our responsibility. We want to contribute to aligning global financial flows with the goals of the Paris Agreement on climate change.

The conditions for this important task are not ideal, as the tense global situation poses major challenges for us and our clients. Issues such as a sluggish economic development and rising populism, Russia's war of aggression against Ukraine as well as the persistently tense situation in the Middle East are creating ongoing uncertainty. At the same time, the effects of climate change are becoming more and more tangible, underlining the importance of integrating climate and biodiversity risks into our business strategy.



“We see sustainability as a responsibility and a success factor. We offer our clients tailored solutions and work with them to shape sustainable change.”

Our ESG positioning

It is therefore all the more important to focus on the opportunities that this transformation presents and to recognise sustainability as part of the solution. For example, the continued expansion of renewable energy will help to reduce dependence on fossil fuels and their suppliers.

Our role as a bank is to support our clients and provide solutions that enable them to drive forward their sustainable transformation. In this context, we see responsibility as a key guiding principle that underpins our holistic ESG approach. After all, sustainability is about more than climate change – we’re also committed to community engagement and responsible governance.

We underpin our commitment with ambitious targets. We are committed to steering the CO₂ emissions of our loan and investment portfolio towards net zero by 2050 at the latest, and achieving net zero across our own operations by 2040. To emphasize this commitment, we published a climate transition plan in 2026 that links our strategic climate target with our implemented and planned operational measures. In doing so, we are setting our course toward a climate-friendly future.

At the same time, we believe that diversity and employee satisfaction have a positive impact on the success of our business. We will therefore increase the proportion of women in management positions to 40 percent by 2030. In the area of corporate governance, integrity has long been a core part of our culture. We have a zero-tolerance corruption policy.

Our ESG framework provides maximum transparency around our concept of sustainability, disclosing our criteria, targets, measures and commitments in this area. At the same time, we want to demonstrate that we draw clear boundaries. In addition to specific social and environmental exclusion criteria, we have defined requirements for transactions and business relationships that we believe constitute responsible banking. This is how we’re constantly driving forward our own transformation and that of our clients, and we’d be delighted to have you join us on this journey.

Bettina Orlopp

Chairwoman of the Board of Managing Directors of Commerzbank



Our ESG framework: Acting responsibly, growing sustainably

In recent years, sustainable development has become a central part of the political and business agenda. Today, there is hardly a corporate strategy that can do without a focus on sustainable change. At Commerzbank, we take this development seriously and have a clear goal: to embed sustainability in all our business areas and actively fulfil our role as a responsible financial institution.

Our approach is based on transparency and comprehensive information to continue building trust with our stakeholders. Commerzbank's ESG framework is the foundation of our sustainability strategy. It clearly defines how we understand sustainable finance and sets out how we structure sustainable financial products and processes. In our Environment (E) section, we provide a comprehensive explanation of our standards and criteria for sustainable finance to support the transition to a climate-friendly economy.

At the same time, our ESG framework focuses on the Social (S) and Governance (G) dimensions to ensure that our commitment goes beyond the environment alone. In this way, we are creating a comprehensive sustainability strategy that promotes social justice and upholds the highest standards of corporate governance. Our actions include initiatives to promote diversity and inclusion, and a commitment to ethical and transparent behaviour.

“Acting responsibly, growing sustainably”

We chose this title because we want to play an active role in shaping the far-reaching changes that a sustainable economy requires. The challenges are great and require significant investments. Together with you as our partner, we are focusing on sustainable growth. Our aim is to take responsibility while at the same time seizing opportunities. We want to ensure prosperity and a world worth living in for present and future generations.

“Our ESG framework provides stakeholders with maximum transparency regarding our understanding of sustainability. We're establishing bank-wide standards for the management of all relevant products, processes and activities at Commerzbank.”



Bettina Storck
Chief Sustainability Officer (CSO)



We have defined the focus areas outlined here with the aim of embedding ESG factors in all business segments and Group divisions, and we are implementing them in close collaboration with all our employees. Our goal is to help our clients become

more sustainable by working with them to develop solutions that balance environmental, social and economic issues. In this way, we create a future worth living for all stakeholders.

Since 2020, sustainability has been an integral part of our corporate strategy.



Environment (E)

We are driving the transformation of both our bank and our clients towards climate-friendly and biodiversity-enhancing practices. We are committed to sustainable portfolio management and to financing green business models that make a measurable contribution to climate protection and drive forward our own climate transition.



Social (S)

Social responsibility is as important to us as environmental protection. We promote respectful, fair and appreciative interaction with one another – both within the bank and in society at large. This includes supporting social projects, promoting cultural initiatives and expanding programmes that strengthen social cohesion.



Governance (G)

Integrity and transparency are the cornerstone of our culture. We are committed to strong values, rigorous codes of conduct and high standards of corporate governance aimed at long-term stability and responsible behaviour.



Decades of commitment to a sustainable future

Commerzbank has been working intensively on the sustainability of its activities since the 1980s. Today, we are a member of more than 35 initiatives and organisations (see ↘ [page 9](#)).

With its Centre of ↗ [Competence Green Infrastructure Finance \(CoC GIF\)](#), founded in 2003, Commerzbank is now one of the largest financiers of renewable energy in Europe. Our first sustainability report was published in 2005. Since then, we have made our diverse sustainability activities transparent in various publications. We have been taken sustainability risks into

account since 2007. In 2018, we issued our first green bond to refinance renewable energy projects. Since 2019, we have been one of the first banks to promote the acquisition and maintenance of energy-efficient real estate with our Green Construction Financing programme. In 2020, we anchored sustainability management with a separate department in Group Strategy, Transformation and Sustainability.

We have gradually introduced other sustainability management tools in our client businesses, including the Environmental and

Social Risk Management Framework and the Sustainable Finance Product Register. We also have operational guidelines for sustainability management in place, such as the Environmental Policy and the Sustainable Procurement Policy. In 2022, we published our first **ESG framework** and made sustainability a key performance indicator for our business, with specific ESG performance indicators. In 2026, we published our own climate transition plan, which is embedded in our business strategy and reflects our ambition to achieve net zero CO₂ emissions in our credit and investment portfolio by 2050.

Our milestones to date



Establishment of the ↗ [Green Infrastructure Finance Centre of Competence \(CoC GIF\)](#)

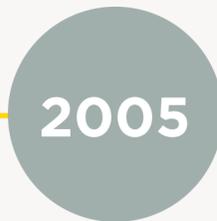
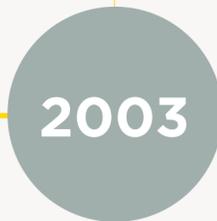


Integration of ↘ [sustainability risks](#)



We promote energy-efficient buildings with our **green mortgage loans**

Publication of our first **ESG framework**



Publication of **our first sustainability report**



Issuance of our first **green bond**



Sustainability management as a separate area in our corporate strategy



Expansion of the ESG framework for the **climate transition plan**





Taking responsibility

For us, sustainability is not just a strategic goal, but a comprehensive approach that informs all aspects of our business. This ESG framework shows how we take responsibility. Our aim is to create a better future for our customers through sustainable solutions. We want to lead by example.

Environmental: A focus on climate action

We are doing our part to mitigate climate change and protect biodiversity. We aim to achieve net zero carbon emissions from our loan and investment portfolio by 2050 at the latest (see ↘ [page 11](#)). In doing so, we are guided by the science-based targets of the ↗ [Science Based Targets initiative \(SBTi\)](#) (see ↘ [page 23](#)). We also support our customers in their sustainable transformation by promoting environmental and transformation projects. In particular, we aim to invest at least 10 percent of our new loan business in sustainable loans in the long term.

At the same time, we are also advancing the transformation within our own operations: we have committed to achieving net zero CO₂ emissions by 2040 (see ↘ [page 53](#)). The strategic target for emission reduction are also embedded in our climate transition plan and are supported by it.

We are committed to achieving net zero carbon emissions from our own operations by 2040 (see ↘ [page 58](#)). Another focus is the protection of biodiversity. We have set ourselves the goal

of integrating the conservation and sustainable use of biodiversity into our strategy. Due to the complexity of measuring and managing biodiversity and the limited availability of data, setting overarching portfolio targets is still a major challenge. For this reason, we are working on targeted measures that already aim to reduce significant negative impacts and risks or promote positive impacts. Our position on deforestation, for example, already sets out clear exclusion criteria for particularly damaging activities. We also promote biodiversity conservation through our sustainable finance products and participate in initiatives such as the ↗ [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) and ↗ [Biodiversity in Good Company](#), to share ideas with other companies.

Social: Putting people first

We are committed to reducing social inequalities and promoting inclusion (see ↘ [page 68](#)). We actively contribute to improving social conditions by supporting social projects and

environmental initiatives. We have set ourselves ambitious targets, such as increasing the proportion of women in management positions to 40 percent by 2030 (see ↘ [page 62](#)). At the same time, we strive to continuously improve employee satisfaction and create an equal opportunity working environment (see ↘ [page 67](#)). Our commitment to society is firmly anchored in our corporate culture. We embrace and promote diversity at all levels of the business. This is how we aim to ensure that both our employees and society benefit from our actions.

Governance: Integrity and responsibility in action

For us, good corporate governance means embedding sustainability in all aspects of our business and maintaining the highest ethical standards. It is the foundation for trust and long-term success. We have therefore made our risk culture an integral part of our integrity culture (see ↘ [page 86](#)) and have a strict zero-tolerance corruption policy (see ↘ [page 84](#)). Our corporate governance is based on clear strategic planning, compliance and effective risk management. This ensures that we act responsibly at all levels and consistently deliver on our sustainability goals.

Our ESG strategy integrates environmental, social and governance (ESG) topics across all our divisions and is continuously evolving. In this way, we drive sustainable change responsibly and play an active role in shaping the future.

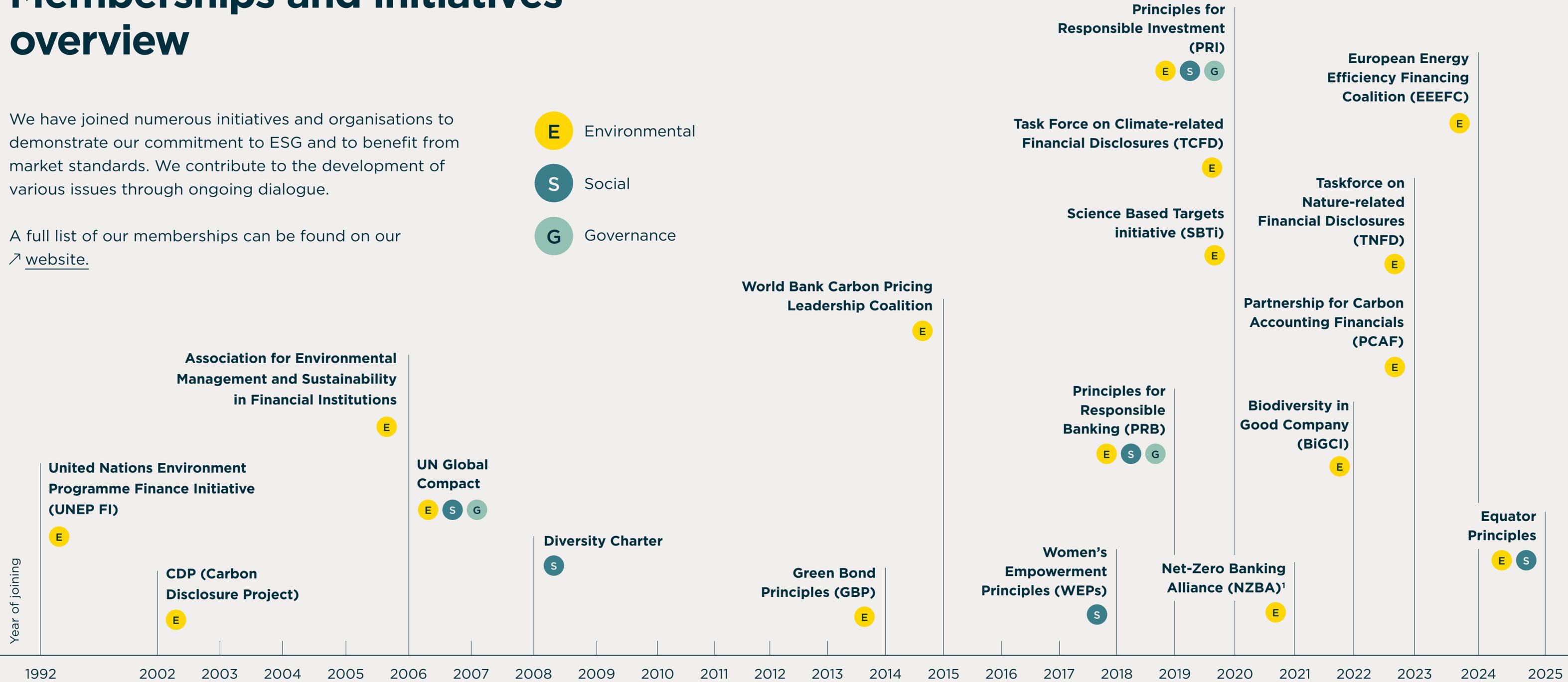


Memberships and initiatives overview

We have joined numerous initiatives and organisations to demonstrate our commitment to ESG and to benefit from market standards. We contribute to the development of various issues through ongoing dialogue.

A full list of our memberships can be found on our [website](#).

- E Environmental
- S Social
- G Governance



¹ The membership ends with the dissolution of the alliance in 2025.



Embracing our responsibility – for the environment

For a planet worth living on: Our contribution to sustainable customer and bank transformation

A temperate climate and healthy biodiversity are fundamental to human life. They determine our daily activities and are also a prerequisite for long-term economic success. Commerzbank AG has set itself ambitious, strategic net-zero targets and is committed to being a reliable partner in driving forward the sustainable transformation of the economy while also supporting our customers in their sustainable transformation. →





Environmental responsibility at a glance

Protecting biodiversity and the climate is a major challenge for the world, and as a bank we want to – and must – meet this challenge. That is why sustainability in all its dimensions is an integral part of Commerzbank’s core business. The United Nations Sustainable Development Goals (SDGs) and the Paris Agreement are our guiding principles in actively transforming our bank towards greater sustainability and accompanying our clients as they work towards more climate-friendly investments. To this end, we are continuously expanding our range of innovative and environmentally friendly products and solutions for our customers. Our commitment to climate protection and biodiversity is at the heart of our sustainability strategy.

→ Sustainable portfolio management

We integrate sustainability considerations into our core business, in particular through environmental and social transformation requirements and exclusion criteria.

→ Active promotion of green business models

We finance sustainable business models and projects that contribute to a shift towards greater sustainability.

→ Responsible management of our own business

Commerzbank has its environmental and energy performance audited annually by third parties to ensure continuous improvement.

Our strategic environmental targets:



Target E1 Net-zero portfolio

We aim to achieve net zero carbon emissions from our **loan and investment portfolio by 2050**. We have joined the Science Based Targets initiative (SBTi) to calculate and set the target.



Target E2 10 % sustainable loans

We want to **permanently allocate** at least 10 percent of our **new loan business** to sustainable projects and business models in order to actively support sustainable transformation.



Target E3 Net-zero banking operations

We want to achieve **net zero carbon emissions** in our own operations by 2040. This includes emissions from Scope 1 and Scope 2.



Climate transition plan: Our path to net zero

Climate protection plays a central role in the environmental dimension of sustainability. The primary goal is to limit the rise in global temperature by actively reducing greenhouse gas emissions. With our climate transition plan, developed in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), we aim to provide a comprehensive understanding of Commerzbank's past, current, and future climate protection efforts. The plan is designed to ensure that our corporate strategy and business model, as well as our objective of becoming a net-zero bank by 2050, align with the goal of limiting global warming as outlined by the EU regulations and the Paris Agreement.

Effects of climate change

We examine the effects of climate change, among other things, as part of the double materiality analysis in accordance with the European Sustainability Reporting Standards (ESRS). As part of the annual strategy process, we thoroughly assess a wide range of key and environmental factors that are essential for aligning our strategy and the bank's business model.

The two perspectives of the double materiality analysis encompass, on the one hand, the impacts and, on the other hand, the risks and opportunities of climate change. A comprehensive

overview of this can be found in the [Group Sustainability Report](#).

Impacts

- Financing impacts climate change – positively when capital flows into climate-friendly solutions, or potentially negatively in the case of carbon-intensive commitments. Through sustainable products, we support climate-friendly investments and direct financial flows specifically towards projects that can help mitigate climate change.
- By reducing carbon emissions in our operations – for example, through the consistent use of green electricity – we actively contribute to the decarbonisation of the economy and society while setting a positive example.

Risks and opportunities

- Insufficient adaptation to physical climate risks (e.g., floods) and transition risks can manifest in existing risk types such as credit risk or market risk.
- The increasing investment needs for climate protection measures allow us to expand our financing volume.



We have marked the **elements of the climate transition plan** with this graphic

Impacts

The effects of corporate activity on the climate can be both positive and negative.

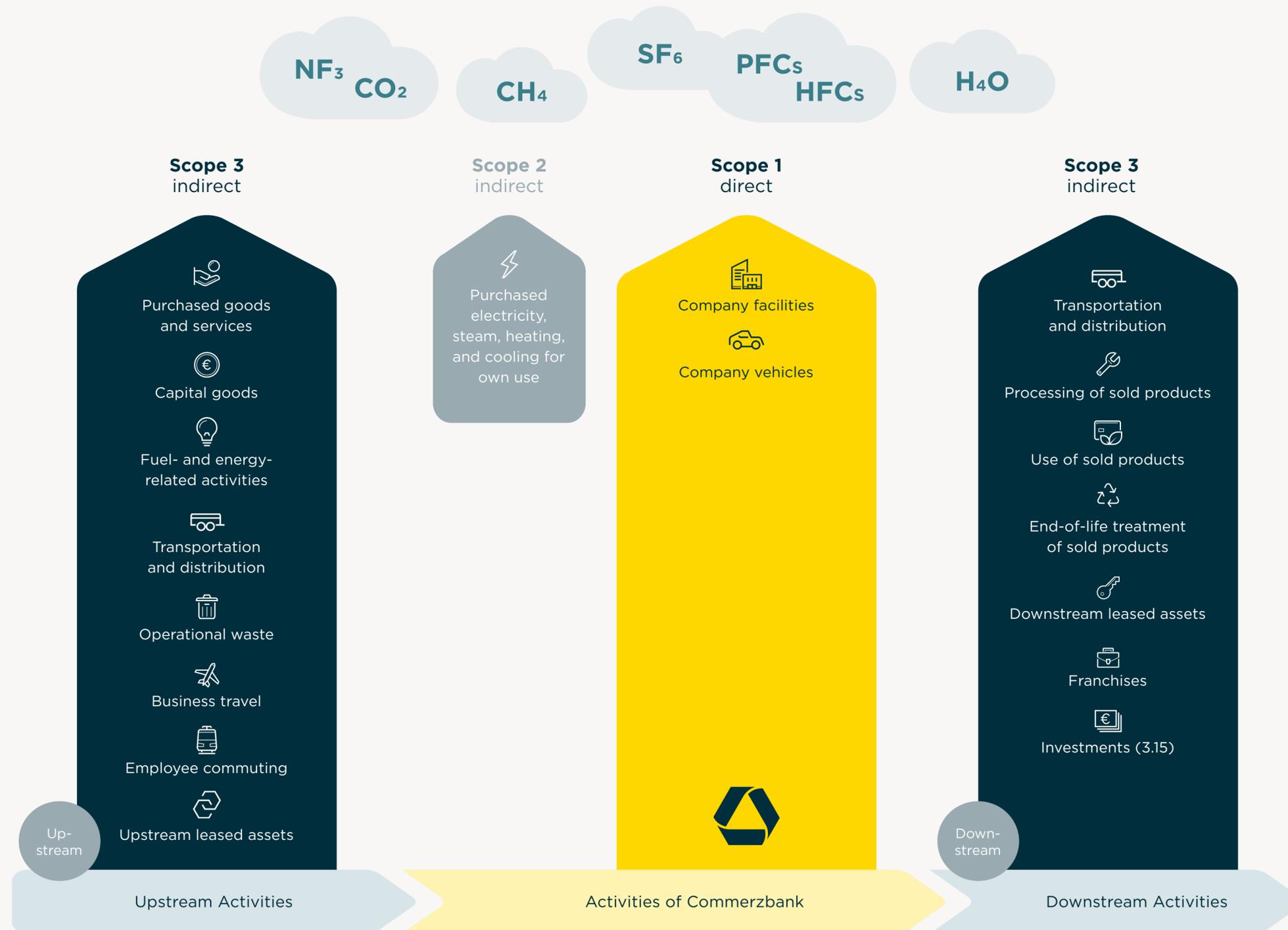


Risks and opportunities

Climate change impacts the financial stability and future viability of companies.



Greenhouse gas emissions of Scopes 1, 2, and 3



Our emissions management



Limiting climate change requires a significant reduction in global greenhouse gas emissions. As these emissions are the main cause of global warming, their systematic management forms the foundation of our climate protection approach. For better comparability, all greenhouse gases are converted into CO₂ equivalents (CO₂e). This value represents the amount of greenhouse gases expressed in the climate impact of carbon dioxide, enabling a uniform assessment of total emissions.

The measurement and reporting of our emissions are carried out in accordance with the Greenhouse Gas (GHG) Protocol. In this context, we distinguish between three emission categories (Scopes):

- **Scope 1:** Direct emissions from owned sources, e.g., from the use of fossil fuels in buildings or vehicles.
- **Scope 2:** Indirect emissions from the consumption of purchased energy such as electricity and heat.
- **Scope 3:** Other indirect emissions along the value chain — particularly financed emissions arising from our investments in credit and investment portfolios (Scope 3.15).

We continuously reduce our direct and indirect emissions from Scope 1, 2 and Scope 3.15 and, together with our customers and partners, promote the transition to a low-emission economy. An overview of our decarbonisation levers can be found on the [next page](#).



Climate targets and decarbonisation levers

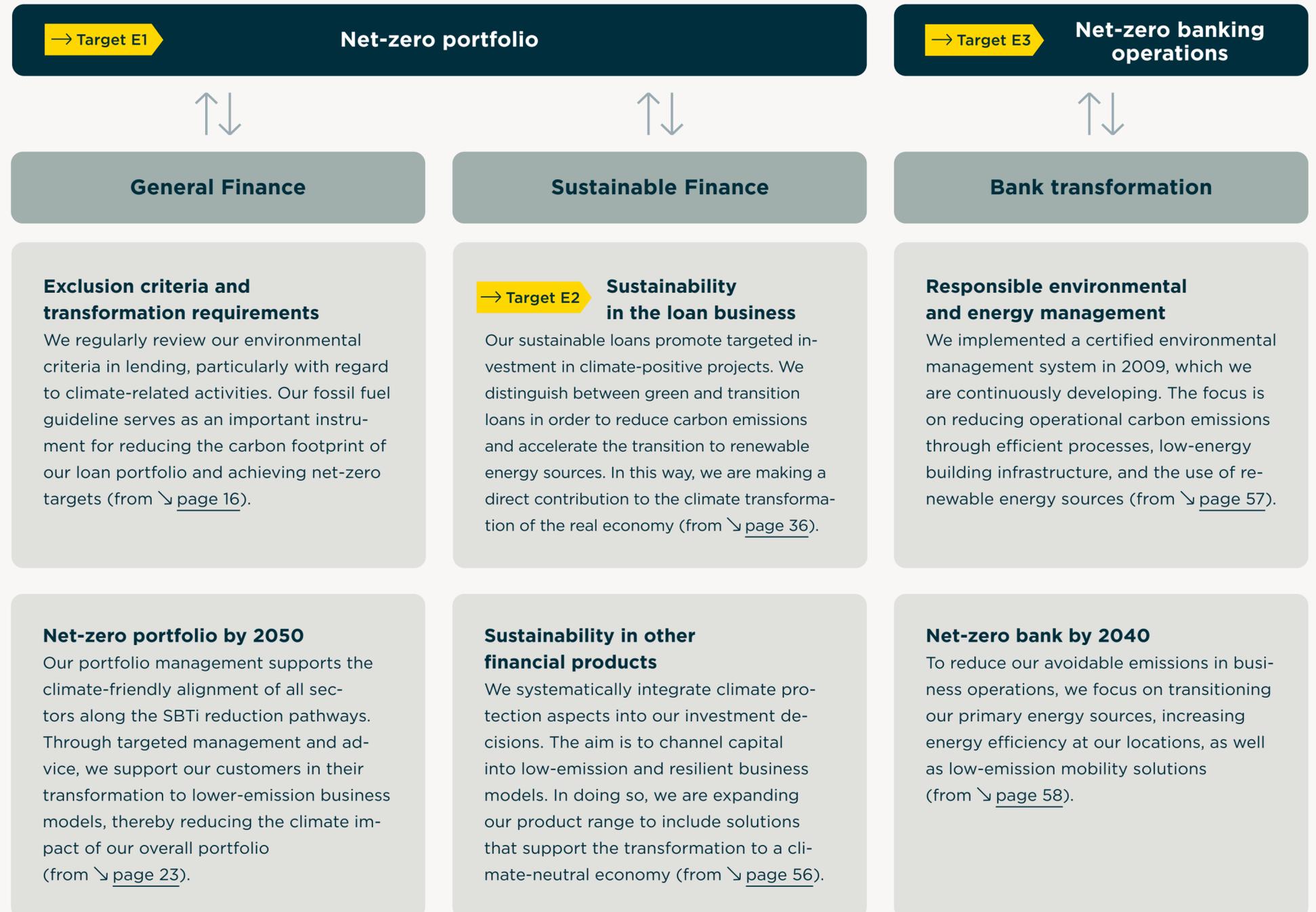
Reducing emissions in our own operations is a central aspect of our corporate responsibility. However, as a bank, the targeted management of capital flows within our business portfolio has a significantly greater impact on combating climate change. To systematically advance these two **climate targets** - the net-zero portfolio and net-zero banking operations - we have defined clear **decarbonisation levers** and backed them with specific **measures**.

Our portfolio decarbonization efforts focus on active portfolio management, the development of sustainable financial products and the advisory services we provide to our customers in transforming their business models. We see the greatest potential in these levers to avoid emissions and maximise the climate impact of our actions.

For the reduction of emissions in our own operations, we have also identified key levers for Commerzbank AG. These include the conversion of primary energy sources for heating, cooling and electricity to renewable alternatives, as well as improving energy efficiency at our locations.

The illustration on the right-hand side presents measures that are specifically aligned with the defined levers to achieve our decarbonisation targets.

We define measures with measurable effects for the climate transition





General Finance: Sustainability criteria as a guiding principle

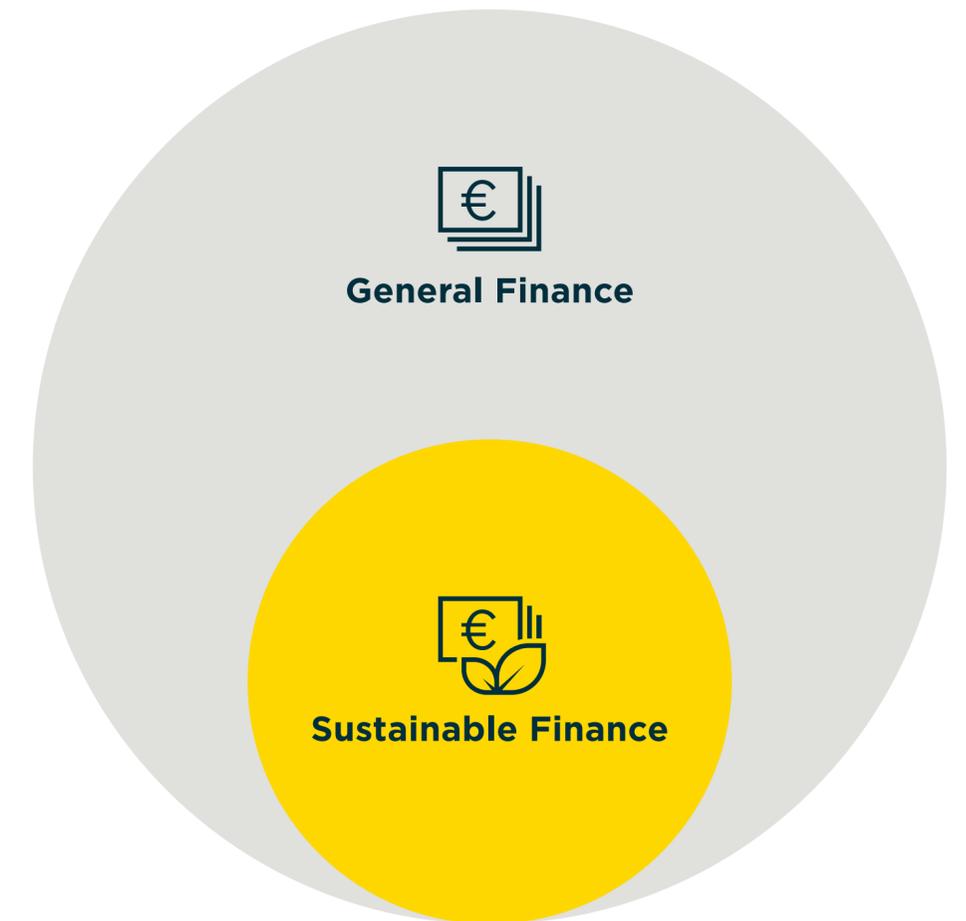
We have divided our portfolio into General Finance and Sustainable Finance. General Finance includes all our financial transactions that meet our general transformation requirements without being subject to our social and environmental exclusion criteria. These transactions do not have to meet the strict criteria of Sustainable Finance (see General Finance assessment scheme on ↘ [page 16](#)). This also means that we want to encourage rethinking and innovative solutions in all sectors, rather than categorically excluding entire industries. To do otherwise would jeopardise the stability of the economy and make sustainable change impossible.

At the same time, however, we also demand that our clients take a decisive step towards greater sustainability – not only to achieve our net-zero target (↘ [Target E1](#)), but also to ensure Commerzbank’s long-term stability. After all, sustainability risks resulting from climate change, the loss of biodiversity or human rights violations are potential financial risks for the real economy – and thus also for the financial industry.

There are also companies and engagements that we will no longer support, either now or in the future. In controversial sectors in particular, we use robust guidelines to determine which social and environmental transformation requirements apply, and have strict exclusion criteria to set clear limits. In addition, we use the portfolio management transformation criteria (SBTi) to screen new business for carbon-intensive sectors. We are convinced that a company that does not position itself sustainably today has no long-term prospects.



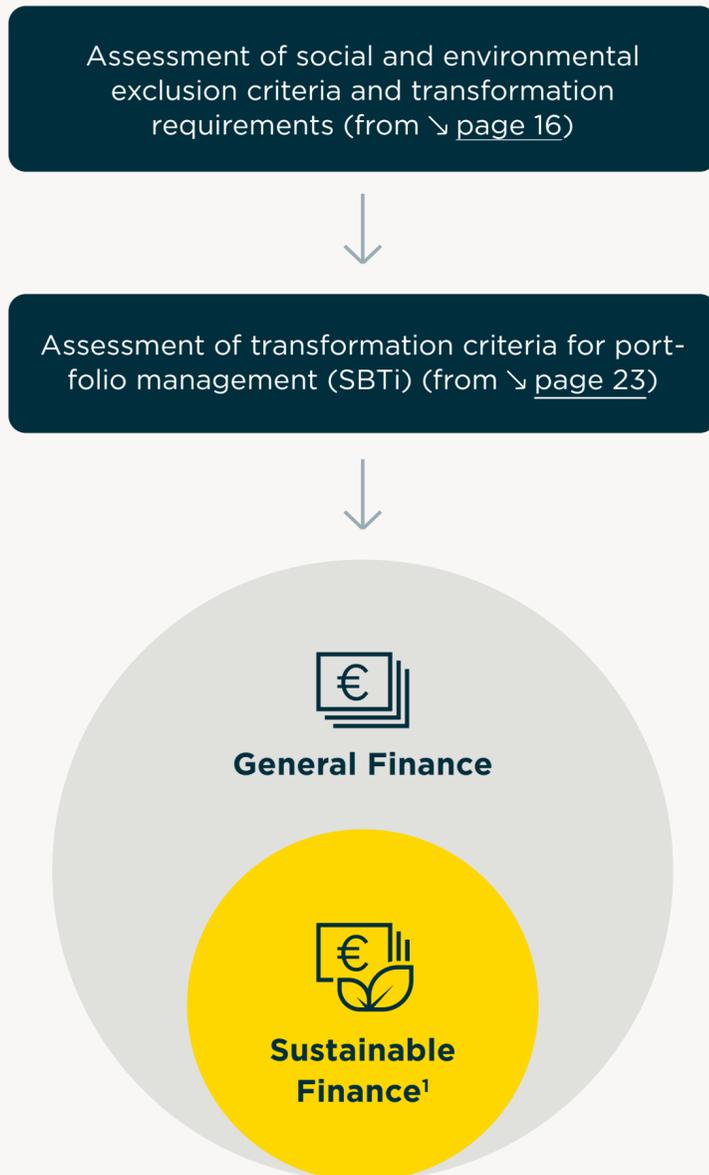
Strict guidelines and exclusion criteria govern our business in controversial sectors.



The proportions in the chart do not correspond to the actual volumes, but are for illustrative purposes only.



General Finance assessment scheme



Exclusion criteria and transformation requirements

We have been integrating sustainability into our core business for many years now. Commerzbank incorporates environmental and social aspects through sector-specific exclusion criteria and transformation requirements for business relationships, projects² and transactions. We regularly assess transactions and business relationships and check compliance with standards on a case-by-case basis.

In addition to the general exclusion criteria and transformation requirements, allegations against respective companies or projects are also taken into account as part of differentiated case-by-case reviews. We rely on information and reports from non-governmental organisations (NGOs) and analysts, as well as media reports and company publications. We pay particular attention to allegations of child labour, forced labour, human rights abuses (see page 87), including the rights of local communities and indigenous peoples, as well as labour abuses. Environmental factors, such as reports of negative impacts on High Conservation Value Areas and UNESCO World Heritage Sites, the use of environmentally harmful chemicals or illegal slash-and-burn practices, are considered on a case-by-case basis.

We regularly update our environmental, social and reputational **risk assessment criteria** to reflect dynamic developments in the various areas and to identify new risks. To this end, we continuously monitor publications by the media, NGOs and sustainability rating agencies on environmentally and socially controversial projects, companies and topics.

We also maintain a **regular dialogue** with NGOs (see page 89) and with other financial institutions. In addition to the relevant screening procedures, we have adopted binding sectoral guidelines for the most critical sectors, which were approved at Board level.

The **final assessment** of environmental and social risks is carried out by our Reputational Risk Management team using a five-point scale of reputational risk (no, low, average, significant, high). This differentiated process can lead to the rejection of a product, transaction or business relationship. In serious cases of high reputational risk, Reputational Risk Management also has the power to exercise a veto, which can only be lifted after escalation to the Board level. In addition, identified risks are included in the quarterly reputational risk report to the Board of Managing Directors and the Risk Committee of the Supervisory Board. To raise awareness, there is also an ongoing dialogue with our customer advisors on the assessment processes.



¹ The Sustainable Finance criteria and our assessment scheme for sustainable loans are described from page 37.

² This refers to long-term, tight financing (e.g. project financing, ECA-covered financing)

Commerzbank reviews business transactions and relationships relating to the following sensitive topics:

1 Deforestation and agricultural commodities

The destruction of tropical rainforests continues unabated. Much of this deforestation is due to the cultivation of agricultural commodities such as palm oil and soy. This leads to a loss of biodiversity and threatens valuable ecosystems. We have therefore formulated transformation requirements for companies operating in sectors and regions where the risk of deforestation is particularly high. In doing so, we are guided by internationally recognised standards and continually review other relevant memberships and certifications. We take these into account where the level of requirements and acceptance is comparable.

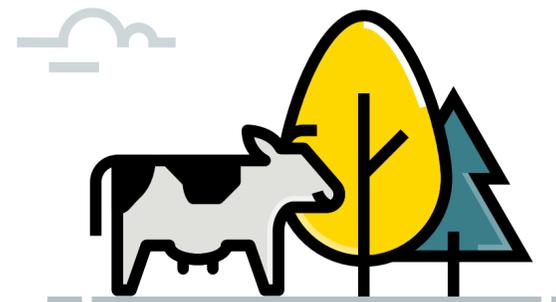
Exclusion criteria:

- We do not enter into business relationships with forest, paper, or pulp companies that own forests and operate in high-risk areas unless they hold a forest management certification from the [↗ Forest Stewardship Council \(FSC\)](#) or the [↗ Programme for the Endorsement of Forest Certification Schemes \(PEFC\)](#). For high-risk areas, we use the NGO Global Canopy's [↗ Forest 500 High Risk Country List](#) as a guide.

- We do not enter into business relationships with companies that grow and/or trade palm oil unless they are members of the [↗ Roundtable on Sustainable Palm Oil \(RSPO\)](#) and have RSPO certification.
- We do not enter into business relationships with companies that raise cattle in the Amazon Basin and/or process live cattle into beef in the Amazon Basin unless they are members of the [↗ Global Roundtable for Sustainable Beef \(GRSB\)](#).
- We do not enter into business relationships with companies that grow soy in the Amazon Basin and/or trade soy from the Amazon Basin unless they are certified by the [↗ Round Table on Responsible Soy \(RTRS\)](#).

Assessment criteria:

- Cotton: In its business relationships with companies in the cotton industry, Commerzbank takes a positive view of its clients' membership in the [↗ Better Cotton Initiative](#).
- Tobacco: Commerzbank's business relationships with tobacco producers and cigarette manufacturers are subject to a differentiated case-by-case assessment.



2 Mining

Mining and the extraction of raw materials are of central importance to numerous industries and global value chains, yet they often entail significant environmental and social risks and can place considerable strain on sensitive ecosystems and affected communities. In addition to land-based mining activities, deep-sea mining is currently emerging as a distinct sector and could impact particularly fragile marine habitats that remain largely unexplored. The potential consequences are not yet fully foreseeable. To mitigate possible negative impacts, we have established clear criteria for the financing of mining activities.

Exclusion criteria:

- The following applies to uranium mining: Commerzbank does not finance uranium mines.
- The following applies to gold: Commerzbank only buys gold from suppliers who apply the guidelines of the [↗ Organisation for Economic Cooperation and Development \(OECD\)](#) or comparable regulations.
- Mining projects related to mountaintop removal (MTR) mining are not financed and no comprehensive business relationships are maintained with companies that use MTR (see also [↘ section 4 on fossil fuels](#)).
- For the time being, Commerzbank does not participate in financing for deep-sea mining projects and does not enter into business relationships with companies that are solely engaged in deep-sea mining (so-called pure-play companies). We utilise publicly available lists by non-governmental organisations to operationalise these requirements.

**Assessment criteria:**

In the area of mining, Commerzbank assesses transactions and business relationships with companies that mine raw materials outside OECD countries or in conflict and high-risk areas. We base our identification on relevant publicly available sources. For the extraction of fossil fuels such as coal, the guidelines for transactions and customer relationships with fossil fuels approved by the Board of Managing Directors of Commerzbank AG applies (see ↘ [section 4 on fossil fuels](#)).

**3 Energy**

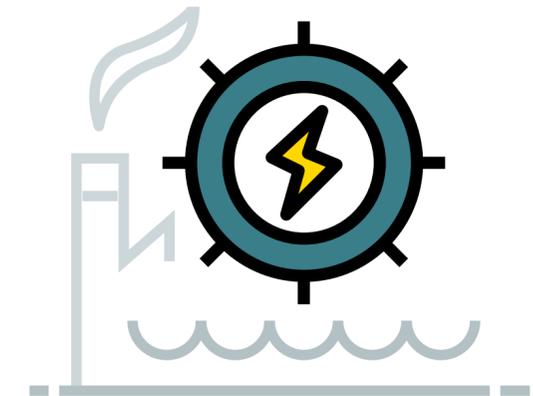
There are many risks associated with energy production. The burning of fossil fuels exacerbates the climate crisis. The operation of nuclear power plants, including the complex disposal of waste, carries the risk of radioactive radiation being released. Large hydropower projects can pose risks to the environment and local communities. In addition to the inherent risks of individual energy sources for people and the environment, the construction of new power plants can lead to the displacement of indigenous peoples or the destruction of nature reserves, resulting in a loss of biodiversity. In the energy sector, Commerzbank pays particular attention to the subtopics of energy generation from fossil fuels, nuclear energy and hydropower. Energy generation from fossil fuels is discussed separately in ↘ [section 4 on fossil fuels](#).

Exclusion criteria:

- The following applies to nuclear power: Commerzbank does not finance new nuclear power stations.
- In the case of nuclear and hydroelectric power, we take the following aspects into account in particular:
 - Nuclear power: Following the nuclear disaster in Fukushima (Japan), Germany decided to phase out nuclear power. In addition to excluding the financing of new nuclear power plants, we subject other transactions and business relationships related to nuclear power to a critical case-by-case review, which may lead to a refusal.

Assessment criteria:

- Hydropower: In addition to the general positions and guidelines for the energy sector, Commerzbank takes into account reports of potential conflicts arising from competition for water resources in transactions and business relationships related to hydropower generation and dam construction, for instance between neighbouring countries.





4 Fossil fuels

The extraction and use of fossil fuels is a major contributor to climate change. The burning of coal, oil and gas for energy has therefore been heavily criticised. Their extraction is also risky and often has a negative impact on other environmental aspects, indigenous peoples, workers and the general population. At the international level, the Paris Agreement aims to limit global warming to well below 2 degrees Celsius, and preferably to 1.5 degrees Celsius. Nevertheless, oil and gas remain indispensable for global energy supply.

The Board of Managing Directors of Commerzbank AG has clearly regulated the handling of business relationships and transactions in the area of fossil fuels in a binding guideline. The guideline defines exclusion criteria and requirements for customers and business activities in the area of fossil fuels. It operationalises our sustainability strategy, while also reflecting political developments such as Germany's planned coal phase-out by 2038 at the latest. Additionally, it addresses the need to ensure a secure energy supply.

In the case of thermal coal, the guidelines cover the key elements of the process chain, from extraction and infrastructure to energy production in power plants.¹ The policy, which was introduced in 2022, is based on the ↗ [Global Coal Exit List](#) compiled and regularly updated by the ↗ [NGO Urgewald](#).

In the oil and gas sector, key elements of the upstream, midstream and energy generation sectors are regulated in a binding manner. The NGO Urgewald's ↗ [Global Oil and Gas Exit List](#) is used for operationalisation in the oil and gas sector.

Exclusion criteria for projects:

- Commerzbank does not participate in the financing of projects for the expansion or construction of coal mines, coal infrastructure, or coal-fired power plants.
- Commerzbank does not participate in the financing of projects related to the production and exploration of oil and gas (both conventional and unconventional methods such as fracking, arctic drilling, tar sands, deepwater drilling).
- Commerzbank does not participate in the financing of new oil transportation projects, such as the construction of new oil pipelines or new oil tankers.
- Commerzbank does not participate in the financing of projects for new oil-fired power plants.

Exclusion criteria for business relationships¹:

- In line with the requirements of the German government, we expect a coal phase-out by 2038 at the latest. Companies that do not meet this requirement and continue coal-related activities beyond 2038 will no longer be able to maintain a business relationship with Commerzbank.
- Companies engaged in coal extraction using the MTR mining method cannot maintain comprehensive business relationships with Commerzbank.
- Companies involved in coal mining, coal infrastructure, or coal-fired energy generation that derive more than 20% of their revenue and/or generated electricity from coal or are engaged in coal-related expansion cannot establish comprehensive new business relationships with Commerzbank.
- Companies expanding operations in the oil sector (upstream, midstream, energy generation) or in gas exploration and extraction (upstream) cannot establish comprehensive new business relationships with Commerzbank.
- New business relationships with companies subject to the aforementioned exclusion criteria may only be established for environmentally sustainable projects, such as Green Loans as specified on ↘ [page 38](#) and the following pages.



¹ Companies operating coal-fired power plants in Europe that are deemed systemically relevant, as well as municipal utilities, are exempt from these exclusion criteria.

**Assessment criteria:**

In general, we expect our clients in the fossil fuel sector to undergo a sustainable transformation. Reputational Risk Management therefore conducts annual critical case-by-case assessments of client relationships with companies active in the key areas of upstream, midstream, and energy generation, focusing on environmental and social aspects. This review may result in the termination of a business relationship.

Additionally, the following activities are reviewed:

- The financing of coal plant modernisation projects is critically assessed on a case-by-case basis. Factors such as life extension, decommissioning and conversion, e.g. to biomass, reduction of pollutant emissions through improved filters and CCUS (Carbon Capture, Utilisation and Storage) technologies are taken into account.
- The financing of projects for the construction of new pipelines and liquefied natural gas (LNG) infrastructure, the construction of new gas-fired power plants and the construction of new dual-fuel power plants are critically assessed on a case-by-case basis as part of Reputational Risk Management.

5 Defence and surveillance technology

Commerzbank fundamentally recognises the right of states to self-defence, particularly in the sense of Article 51 of the [United Nations Charter](#). We therefore do not question the necessity of the German armed forces (“Bundeswehr”) and their equipment. We finance defence companies that produce weapons and defence systems for the Federal Republic of Germany and its allies such as the European Union. Nevertheless, we set clear limits on transactions and business relationships in the critical defence sector in 2008 with the introduction of our Guideline Governing Armaments Transactions, which we have further expanded with the revision of the Guideline. The revised Guideline on Defence and Surveillance Technology was approved by the entire Board of Managing Directors in January 2023 and is based on the positions of the German government, the European Union, the United Nations, other international agreements and various NGOs. It sets out clear exclusion criteria and limits.

Exclusion criteria:

1. Controversial weapons

Controversial weapons are military weapons that either cause disproportionate suffering to combatants or whose use can result in large number of uninvolved, particularly civilian, casualties. Most of these weapons are prohibited or banned by international treaties, making their production or use illegal in many countries.

In this context, the following applies:

- Commerzbank does not participate in the financing of delivery transactions related to controversial weapons (weapons and key components).
- Commerzbank does not enter into business relationships with arms manufacturers who produce banned and prohibited weapons. The following weapons are currently considered to be banned and prohibited weapons: Cluster munitions, anti-personnel mines, incendiary weapons, permanently blinding laser weapons, depleted uranium, and biological as well as chemical weapons.
- Commerzbank does not enter into client relationships with defence companies that produce phosphorus bombs or other weapons systems containing white phosphorus.





2. Autonomous weapons

Commerzbank does not participate in the financing of transactions and projects involving fully autonomous weapons systems. Lethal Autonomous Weapons Systems (LAWS) are those where no further human intervention is required for target selection and engagement. A fully autonomous weapon system is therefore a weapon system without human intervention in critical functions, in particular target elimination.

3. Government end recipients

Commerzbank only participates in the financing of defence transactions where the end recipient is clearly identifiable and is a government agency.

4. Laws and regulations

Commerzbank expects its clients to comply with all laws and regulations, e.g. embargo regulations and export licence requirements.

Assessment criteria:

Defence transactions and business relationships with defence companies that do not fall under the above exclusion criteria are critically reviewed on a case-by-case basis. Reputational Risk Management conducts a comprehensive assessment based on external and internal information sources, which may lead to the rejection of defence transactions and the termination or refusal of business relationships.

1. Conflict zones and areas of tension

We understand the crucial role played by the security and defence industry in ensuring our national security and promoting political stability. Therefore, we primarily finance arms transactions for the Federal Republic of Germany and allies in the EU and NATO.

When assessing arms transactions, we first of all ensure that all laws and regulations, such as embargo regulations and export licensing requirements, are complied with. In addition, criteria such as participation in conflicts or wars, the fragility of states and the human rights situation are taken into account. To this end, we use renowned sources of information such as the ↗ [Heidelberg Conflict Barometer](#) of the Heidelberg Institute for International Conflict Research (HIIC) or the database of the ↗ [Bonn International Centre for Conflict Studies \(BICC\)](#).

2. Surveillance technologies

Repressive states are increasingly using surveillance technologies to monitor and persecute, for example, human rights activists, certain population groups, journalists and members of the opposition. Reputational Risk Management therefore critically examines, on a case-by-case basis, business relationships with companies that produce goods for digital surveillance and the financing of such supplies.

6 Shipbreaking

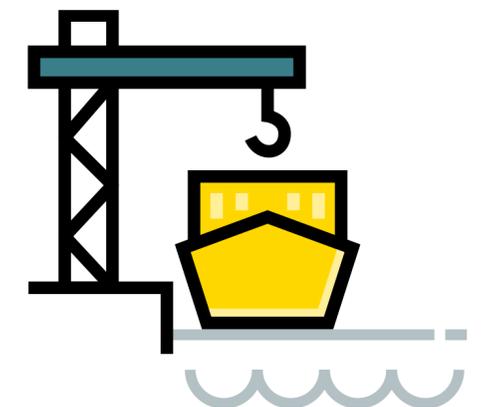
Hundreds of ships are scrapped every year, especially in Asia. This is an important source of income for local economies and accounts for a significant proportion of the regional steel demand. However, shipbreaking often takes place in critical working conditions that regularly lead to industrial accidents and fatalities. It also pollutes coasts and oceans.

Exclusion criteria:

Commerzbank does not support transactions with shipyards that cannot demonstrate certification to EU standards or internationally recognised environmental and social standards.

Assessment criteria:

To counteract the risks described above, we check whether the shipyards are certified according to EU standards or internationally recognised environmental and social standards (such as ↗ [ISO 14001](#), ↗ [ISO 30000](#), ↗ [ISO 45001](#), ↗ [Hong Kong Convention](#) or ↗ [IMO Resolution MEPC.210\(63\) "Guidelines for safe and environmentally sound ship recycling"](#)) when entering into business relationships or transactions.





7 Textiles

Textile production throughout the manufacturing process, from cotton cultivation to processing, is the subject of controversial public debate due to child labour and other violations of human rights and international labour standards.

Assessment criteria:

We take into account membership of the ↗ [Partnership for Sustainable Textiles](#) or the ↗ [Ethical Trading Initiative](#) when dealing with major clients who import finished products from the textile, footwear and leather industries.

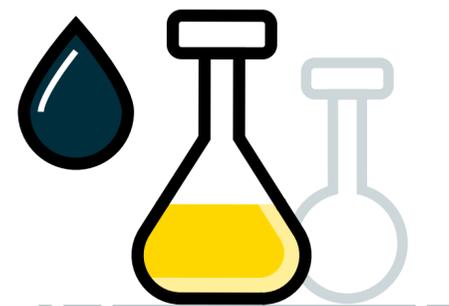


8 Petrochemicals

The term petrochemicals refers to the manufacture of chemical products, such as precursors for plastics, from natural gas and crude oil. According to the ↗ [International Energy Agency \(IEA\)](#), petrochemicals will account for more than a third of oil demand growth by 2030 and half by 2050, which has been strongly criticised in the context of advancing climate change. In addition, petrochemical companies are often criticised for environmental pollution, in particular water and groundwater contamination, the resulting impact on communities, improper waste disposal and adverse health effects on employees.

Assessment criteria:

Business relationships with petrochemical companies and petrochemical projects are subject to a differentiated case-by-case review at Commerzbank.



The cultivation of cotton marks the beginning of a complex production process that often involves ethical challenges.



→ Target E1 Net-zero portfolio by 2050 (according to the SBTi)

The transition to a sustainable economic system is a long-term process. But the goal is non-negotiable. That is why we need to make sure that we at Commerzbank – and our clients – are on the right track. To measure the progress of our transformation, we assess our new business portfolio against a number of criteria. In addition to environmental and social exclusion criteria and transformation requirements (see ↘ [page 37](#)), we focus on transformation criteria.

As a supporter of the ↗ [Science Based Targets initiative \(SBTi\)](#) and a member of the Partnership for ↗ [Carbon Accounting Financials \(PCAF\)](#), Commerzbank's particular goal is to make transformation risks and the carbon footprint in the loan and investment portfolio transparent and comparable.

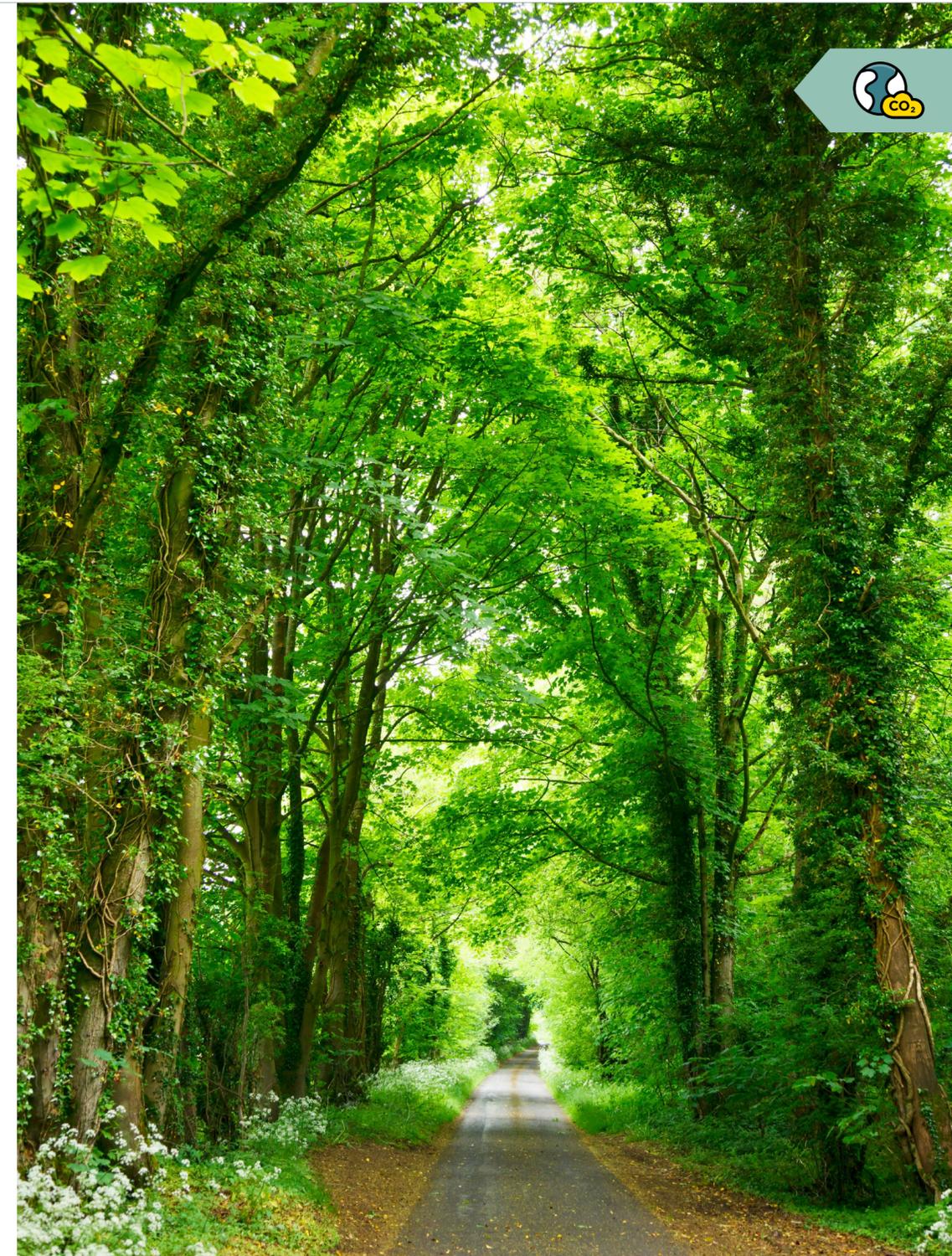
The SBTi is committed to reducing greenhouse gas emissions on the basis of science-based targets and offers a comprehensive methodology for aligning portfolios with decarbonisation targets. Using this methodology, Commerzbank has calculated the carbon emission intensities and reduction pathways of its business portfolio in line with the goals of the Paris Agreement on climate change. The focus is on carbon-intensive sectors, where the leverage for carbon reduction is particularly high.

Within the SBTi framework, we use two different methodologies to set targets:

The Sectoral Decarbonisation Approach (SDA) is a method for defining sector-specific emission reduction pathways based on science-based emission budgets. For each sector, the physical carbon intensity of the portfolio is measured at a baseline and a target pathway to 2050 is derived. For financial institutions, determining the portfolio emission intensity is the starting point for applying the SDA to set carbon reduction targets. The portfolio emission intensity refers to the financed emissions per unit of activity, e.g. kg CO₂e/m², kg CO₂e/kWh or kg CO₂e/t cement.

Under the Temperature Score Methodology, financial institutions determine the current “temperature value” of their portfolio based on their borrowers' public emissions reduction targets. This approach allows financial institutions to align the base-year temperature value of their portfolio with a long-term temperature target. The value (e.g. 1.5 degrees Celsius) indicates where a company is on the temperature pathway according to its target – the lower the value, the more ambitious the target.

The approaches described above can be used individually or together to achieve the minimum asset class and sector coverage required by the SBTi.



Our commitment to net zero paves the way for a responsible future.



Three questions for Bettina Storck



Bettina Storck

Chief Sustainability Officer (CSO)

has been responsible for Commerzbank's sustainability strategy since 2020. Since January 2025, she has served as a member of the board of the Sustainable Finance Cluster and, during the 20th legislative period, was a member of the German Federal Government's Sustainable Finance Advisory Council.

In this interview, Bettina Storck explains the background to Commerzbank AG's net-zero commitment.

The carbon emissions of Commerzbank's loan and investment portfolio are to be reduced to net zero by 2050. What's the idea behind this?

We can only achieve the net-zero goal if we pull together as a global community. International organisations and initiatives promote this cross-border collaboration. For us, steering the carbon emissions of our entire loan and investment portfolio to net zero by 2050 at the latest is a central contribution to this shared global ambition. To achieve this, we have developed specific reduction targets for particularly carbon intensive sectors. We were the first German bank whose 2030 reduction targets were reviewed and validated by the Science Based Targets initiative. In doing so, we are consistently aligning our portfolio with the net-zero target, in line with the Paris Agreement on climate change.

What does this mean for your customers?

Only if we support our customers in their sustainable transformation will we make progress towards our net-zero goal. For our corporate clients, it is primarily about how they can effectively and successfully transform their business models. The financing of green infrastructure plays a key role in this and is one of our core competencies. Our retail customers are rewarded with an interest rate discount if they choose to finance green construction.

What connection do you see between investments and Commerzbank's carbon emissions?

The lower the carbon emissions associated with our customers' activities, the lower the impact of the financed emissions on our portfolios. In this way, we support our customers in their transformation and also come a step closer to our net-zero target. In the energy generation portfolio, carbon intensity is set to fall significantly by 74 percent by 2030 compared to the base year 2021 – to name just one example.



Sector delineation

Commerzbank manages all product classes and sectors prescribed under the ↗ Science Based Targets initiative (SBTi), as well as additional ones. Particular focus is placed on the emission-intensive parts of the value chain, applying the respective Sectoral Decarbonisation Approach (SDA) (see figure on ↘ page 26).

Commerzbank's targets were officially validated by the SBTi in March 2023, and the bank joined the ↗ Partnership for Carbon Accounting Financials (PCAF). Accordingly, in 2023, we also adjusted our calculation method for portfolio intensities to align with the internationally recognised PCAF standard. As part of applying this standard, we recalculated the baseline for the

The following carbon-intensive sectors are covered by the SDA methodology:

Energy	Iron and steel
Commercial real estate ² and residential ¹ mortgages	Automotive
Cement	Aviation ²

starting year 2021 and determined new target values for 2030. The revalidation of these adjusted targets was successfully completed by the SBTi at the end of May 2025. The private real estate portfolio, which is optional under SBTi, was excluded from the scope of the SBTi revalidation.¹

For additional sectors, either no SDA methodology is currently provided by the SBTi, or we currently do not consider them material for the SDA methodology. In these areas, target setting and management is based on the Temperature Score Methodology, including the key sector of fossil fuels.

Portfolio delineation



The basis for analysing emissions is the outstanding volume of on-balance sheet loan and investment transactions. The SBTi stipulates that all loans with drawdowns must be taken into account.

The scope of the SBTi targets does not include, for example, client relationships with municipalities or federal states, or loans to private individuals for purposes other than residential mortgages. For these areas, no standards for measurement and target achievement have been established as part of the SBTi. We support the further development of this market standard by seeking to include these asset classes in various initiatives.

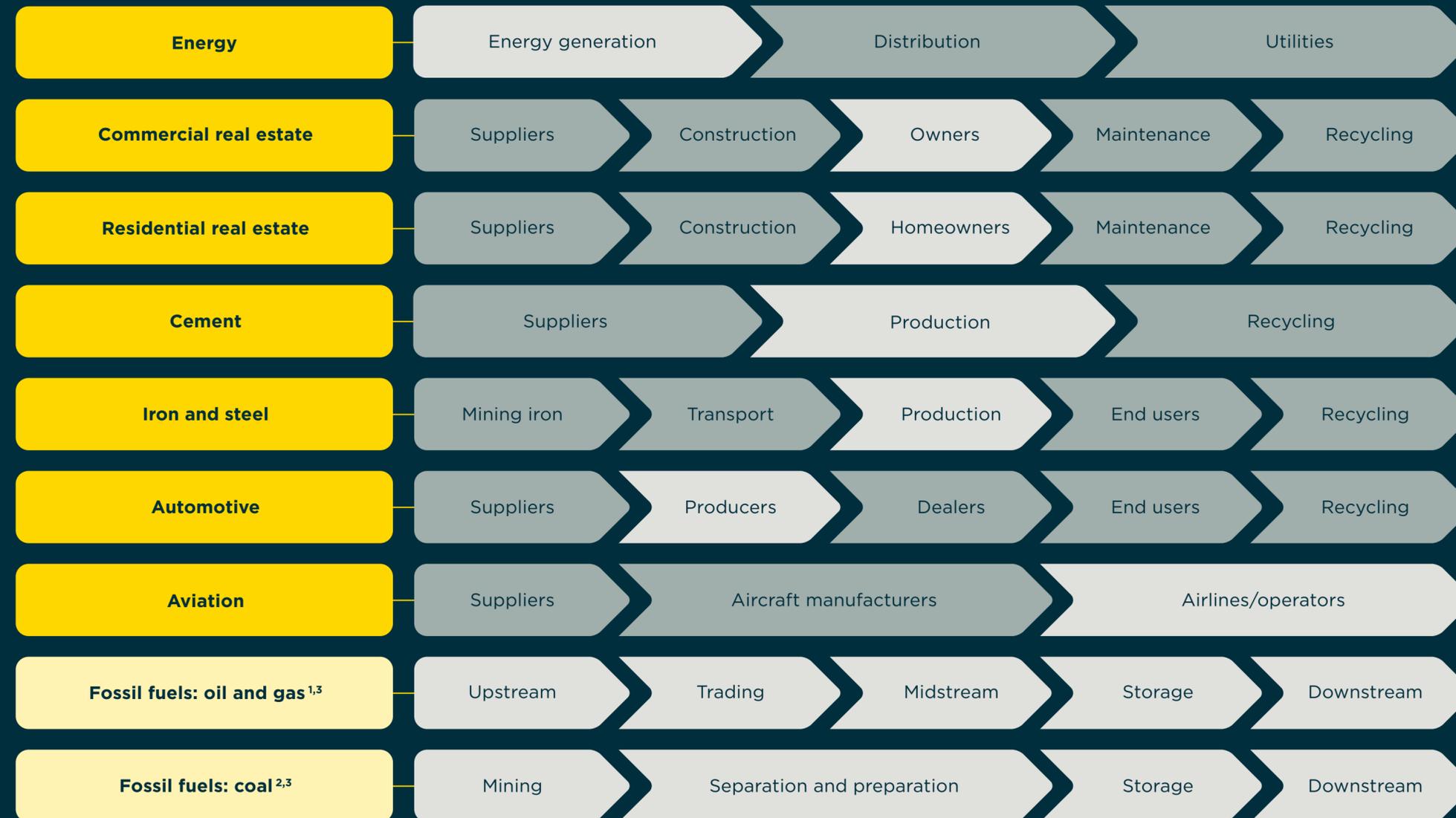
As small and medium-sized enterprises (SMEs) are not currently subject to specific reporting requirements, the availability of relevant data, particularly sustainability indicators, is limited. We expect the availability of data in this area to improve in terms of quantity and quality in the future. Nevertheless, we want to include SMEs in carbon-intensive sectors in our targets. We are doing this on a voluntary basis in order to increase coverage further.

By
2050
we aim to achieve net zero emissions from our **loan and investment activities.**

¹ The current target will remain valid as an internal steering target until the end of 2025 and will be replaced in 2026 by a new target.
² From 2026 onwards, the commercial real estate and aviation sectors will also be managed based on an internal steering target, which is aligned with the Paris Agreement on climate change. Further details can be found on ↘ page 28 and ↘ page 33.



Value chain segments considered when setting SBTi targets



¹ Coal companies are defined by the SBTi as companies on the ↗ [Global Coal Exit List \(GCEL\)](#) or generating 10 percent or more of their revenues from the coal value chain.
² Companies on the ↗ [Global Oil & Gas Exit List \(GOGEL\)](#) and all national oil companies (i.e. oil and gas companies wholly or majority owned by a national government) or companies generating 10 percent or more of their revenues from the oil and gas value chain.
³ The sector is currently included in the Temperature Score Methodology (see ↘ [page 34](#)). Commerzbank plans to define sector-specific CO₂ reduction targets for the oil and gas as well as coal sectors in 2026.

- Sectors
- Value chain segments covered by SBTi
- Value chain segments not covered by the SBTi

Commerzbank’s sector-specific reduction pathways

To enable the most precise steering in carbon-intensive sectors, the ↗ [Sectoral Decarbonization Approach \(SDA\)](#) is the most suitable. It focuses on areas of the value chain where significant carbon emissions occur or cause high downstream carbon emissions. Sector-specific carbon reduction pathways are assigned to these defined portfolios.

The target pathways provided by the SBTi form the basis for calculating the reduction curves (carbon intensity) for **achieving the targets**. For the energy, aviation, real estate and mortgages (private, residential and commercial), cement, iron and steel sectors, this is a net-zero compatible pathway of **1.5 degrees**. For the automotive sector, the target calculation is initially based on the **1.8-degree scenario**. The reduction target will be adjusted in line with the gradual expansion of the sector-specific net-zero pathways by the SBTi. Where available on the market, we are already incorporating the net-zero target requirements for the sectors as an indication of future targets.

The sector-specific carbon reduction pathways driven by the SDA and the relevant drivers from the scenario are briefly described below.

Further details on the performance of the respective targeted sectors can be found in ↗ [Commerzbank’s Group Sustainability Report](#).



Energy

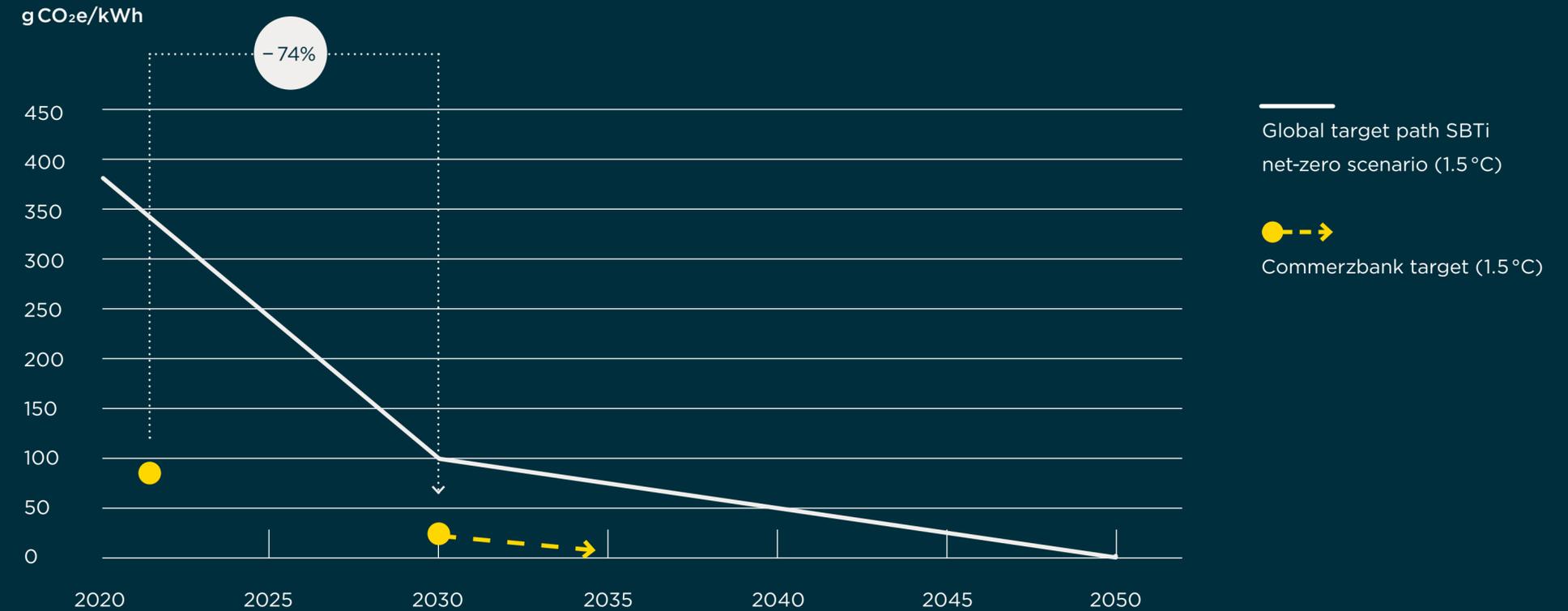
On the pathway to net zero, **renewable energy generation** is the central building block of the transformation. With sectors such as transport, buildings and industry all dependent on green electricity, the energy sector plays a key role in fulfilling the Paris Agreement. Given the growing demand for electricity, a carbon intensity pathway based on the Paris Agreement targets is ambitious but necessary even before 2050.

We have been increasing our investment in renewables for years. At the same time, we recognise that existing technologies also need to be developed as much as possible for the transformation. Our goal is to walk the transformation path alongside our clients and to help them achieve net zero by 2050.

Our portfolio consists of corporate loans to energy producers and project financing for energy generation. The project financing is exclusively for renewable energy. With this portfolio, we are already significantly closer to the net-zero target than the industry average.

The calculation of corporate loans is based on externally sourced data on production output and carbon intensity. For the project financing portfolio, we use internal information on the carbon intensities of the technologies being financed.

Energy: Emissions intensity and targets



Commerzbank aims to reduce carbon intensity (based on the baseline year 2021) in the energy sector by at least 74 percent to 25.6 g CO₂e/kilowatt hour (kWh) by 2030. In the energy sector, we are aligned with the SBTi's 1.5-degree target pathway.

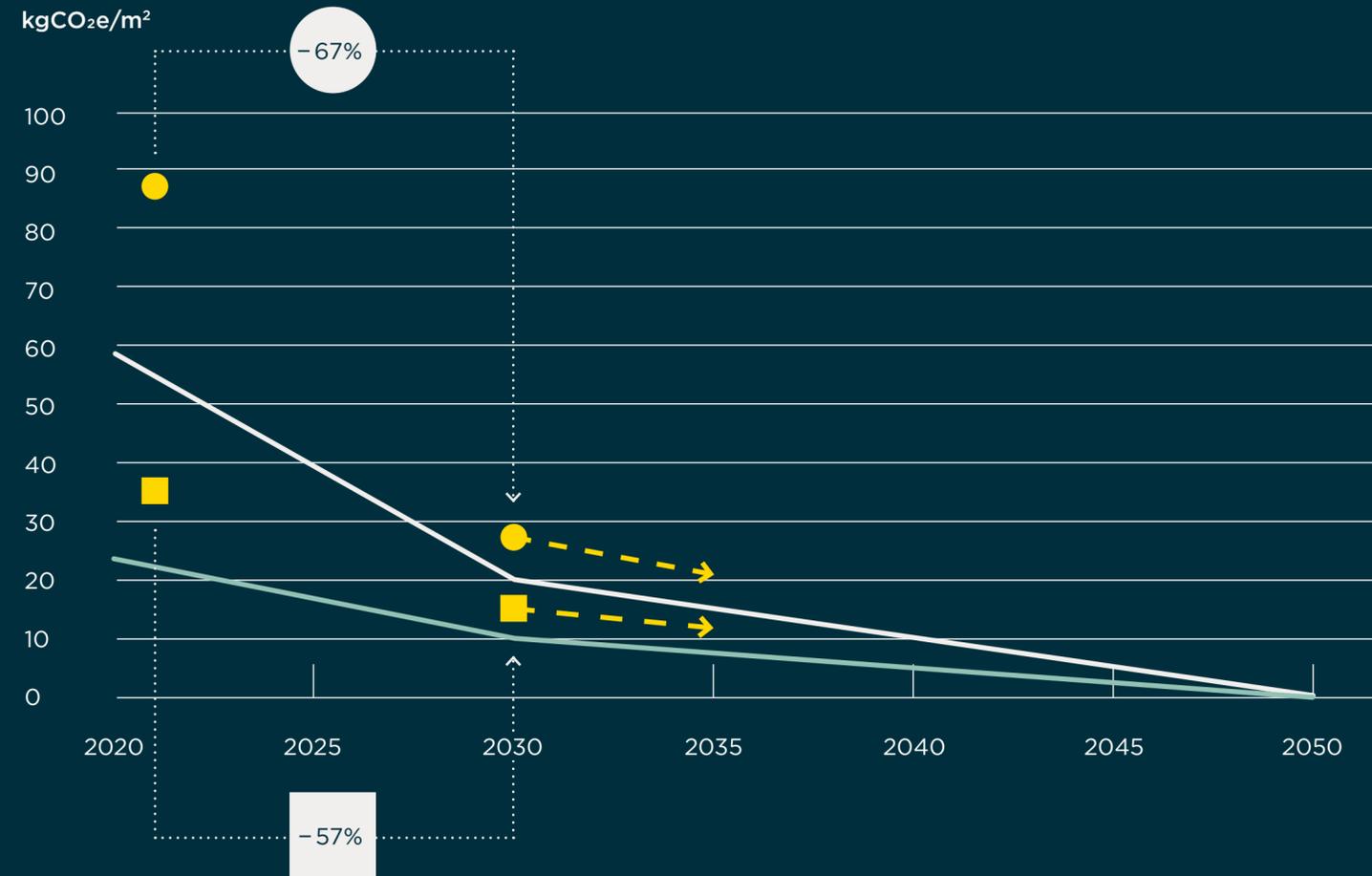


Commercial real estate

In commercial real estate financing, we distinguish between commercial properties (e.g. service and commercial buildings) and residential properties that are rented out and therefore also used for commercial purposes. On average, the carbon emissions of commercial properties are significantly higher than those of residential properties.

Accounting for and decarbonising both portfolios is an important step towards net zero. The respective parts of the portfolio are subject to different, separate decarbonisation paths.

Commercial properties: Emission intensity and targets



Commercial real estate

Global target path SBTi net-zero scenario (1.5°C)

Commerzbank target (1.5°C)

Residential properties

Global target path SBTi net-zero scenario (1.5°C)

Commerzbank target (1.5°C)

The SBTi defines a 1.5-degree target pathway for the commercial real estate sector. For Commerzbank, this results in a required reduction of CO₂ intensity (based on the 2021 baseline year) by at least 67 percent to 28kg CO₂e/m² by 2030. For the residential real estate sector, the SBTi also defines a 1.5-degree target pathway. For Commerzbank, this results in a required reduction of CO₂ intensity (based on the 2021 baseline year) by at least 57 percent to 16kg CO₂e/m² by 2030.¹

¹ Decarbonisation in the commercial real estate sector is highly dependent on political and technical conditions. This sector, in particular, requires a fundamental transition in energy and heating systems. However, this transformation in Germany has stalled due to complex political regulations and an increasing shortage of skilled workers. Starting in 2026, we will therefore additionally align the sector with an internal steering target that is consistent with the Paris Agreement on climate change.



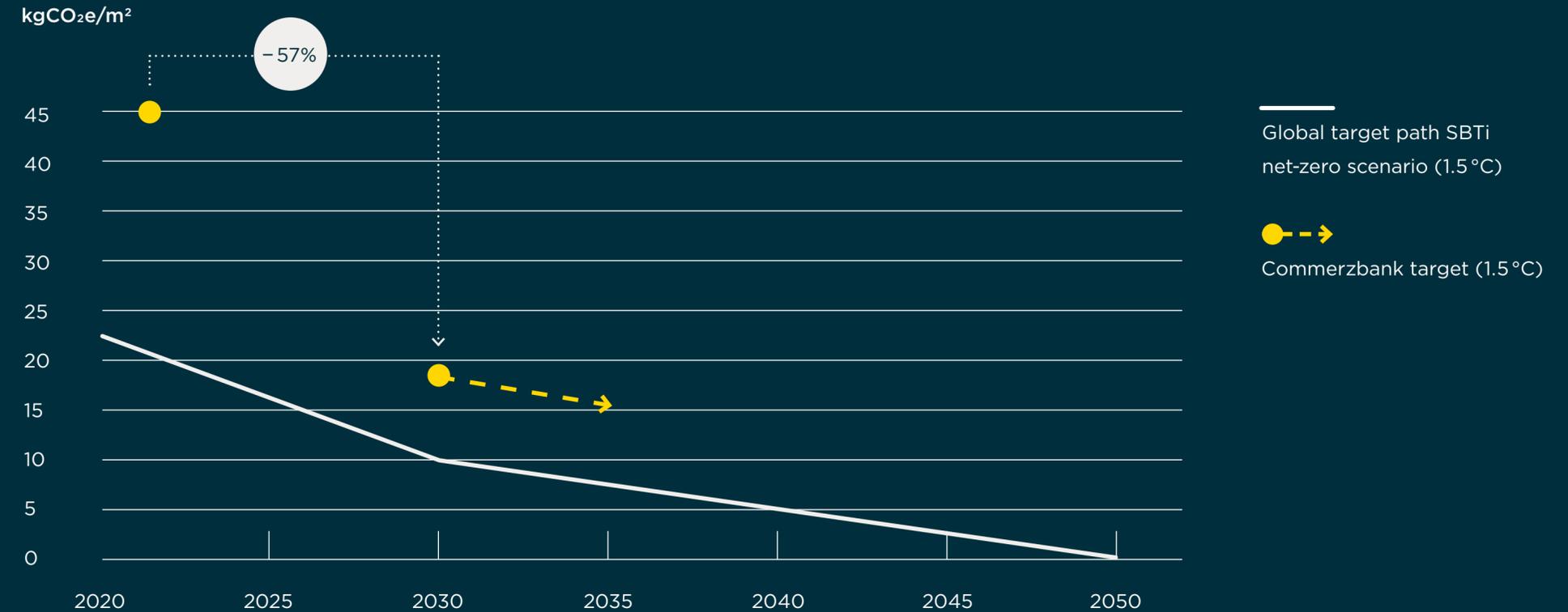
Residential real estate

Residential real estate financing form a large proportion of Commerzbank's retail and corporate loan portfolio. In terms of carbon emissions, the residential property sector in Germany plays a major role. It is therefore particularly important for us to set a concrete interim target for this portfolio by 2030 on the way to net zero by 2050 at the latest.

Regulatory measures such as carbon pricing and minimum energy consumption standards are creating pressure to reduce carbon emissions in the building sector. To achieve this, a large proportion of the existing building stock will need to be modernised and converted to renewable energy for heating. Due to increasing demand and general economic growth, the need for building space will continue to grow, even under ambitious climate scenarios. The growing demand for sustainable and future-proof buildings increases the financial attractiveness of these buildings and thus also creates incentives for energy-efficient renovations.

The initial calculation of the SDA is based primarily on externally sourced, model-based carbon data. In 2025, real data were incorporated into the calculations. The goal for the coming years is to gradually expand our internal database with energy performance certificates, so that these data will represent an increasingly larger share of the sector's data basis in future measurements.

Residential real estate: Emission intensity and targets



In the private real estate sector, we have been aligning with the 1.5-degree target pathway of the SBTi since 2021. **Our goal was to reduce carbon emissions in the private real estate sector by at least 57 percent (based on the baseline year 2021) by 2030 and to lower carbon intensity to 20 kgCO₂e/m² by then.** In the private real estate sector, we have been aligning with the 1.5-degree target pathway of the SBTi since 2021.

Due to the current political and economic conditions in the real estate market, the SBTi target for the private real estate portfolio was excluded from the scope of the SBTi revalidation. The previous target will remain valid as an internal steering target until the end of the year and will be replaced by a new, self-developed target at the beginning of 2026.



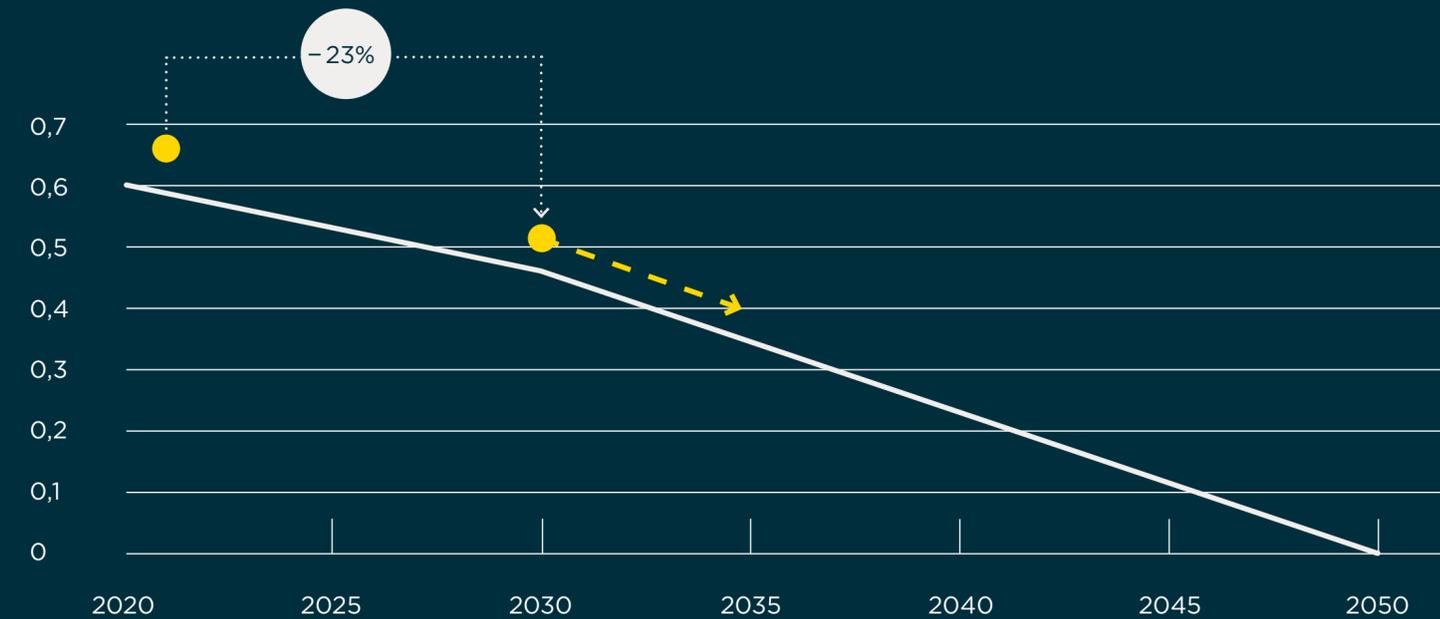
Cement

In this sector, **cement production** is the most carbon-intensive part of the value chain. Optimising the operational efficiency of plants, introducing new technologies and measures to improve material efficiency therefore play an important role in the net-zero scenario. Overall, cement demand will remain broadly unchanged and therefore high by 2050. Without carbon capture and storage (CCS), the cement sector will continue to be responsible for a large share of industrial emissions, along with steel and iron.

The calculation is based on externally sourced data on production output and specific carbon intensity.

Cement: Emission intensity and targets

t CO₂e/t cement



Global target path SBTi net-zero scenario (1.5°C)

Commerzbank target (1.5°C)

Commerzbank aims to reduce carbon intensity (based on the baseline year 2021) in the cement sector by at least 23 percent to 0.5 t CO₂e/t cement by 2030. The portfolio baseline of 0.7 t CO₂e/t cement (2021) is in line with the German and global industry average. The target path for the cement sector was changed in 2024 from 1.8°C to 1.5°C by 2030.

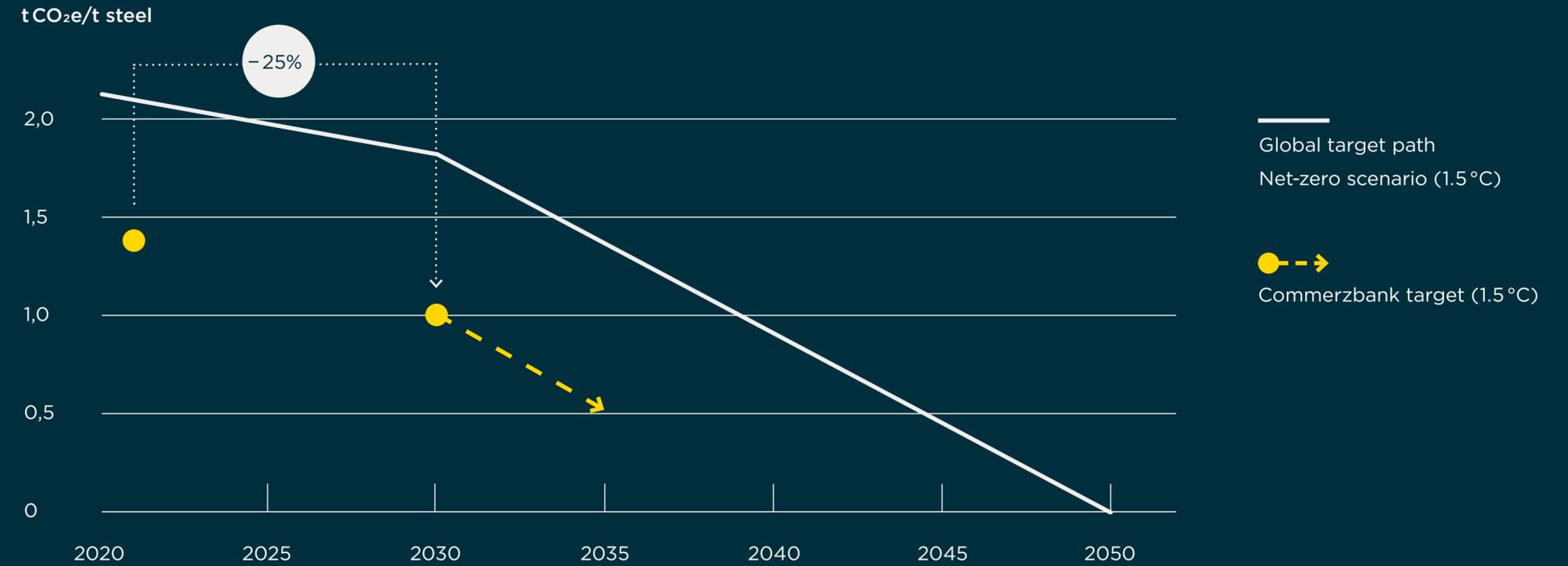


Iron and steel

In this sector, iron and steel production is the most carbon-intensive part of the value chain and is therefore the focus of our targets. As demand for steel increases in the net-zero scenario, the focus is on optimising plant efficiency and technological progress.

The calculation is based on externally sourced data on production output and specific carbon intensity.

Iron and steel: Emission intensity and targets



Commerzbank aims to reduce carbon intensity (based on the baseline year 2021) in the iron and steel sector by at least 25 percent to 1.0 t CO₂e/t steel by 2030. For the iron and steel sector, the target path was updated in 2024 from 1.8°C to 1.5°C by 2030.

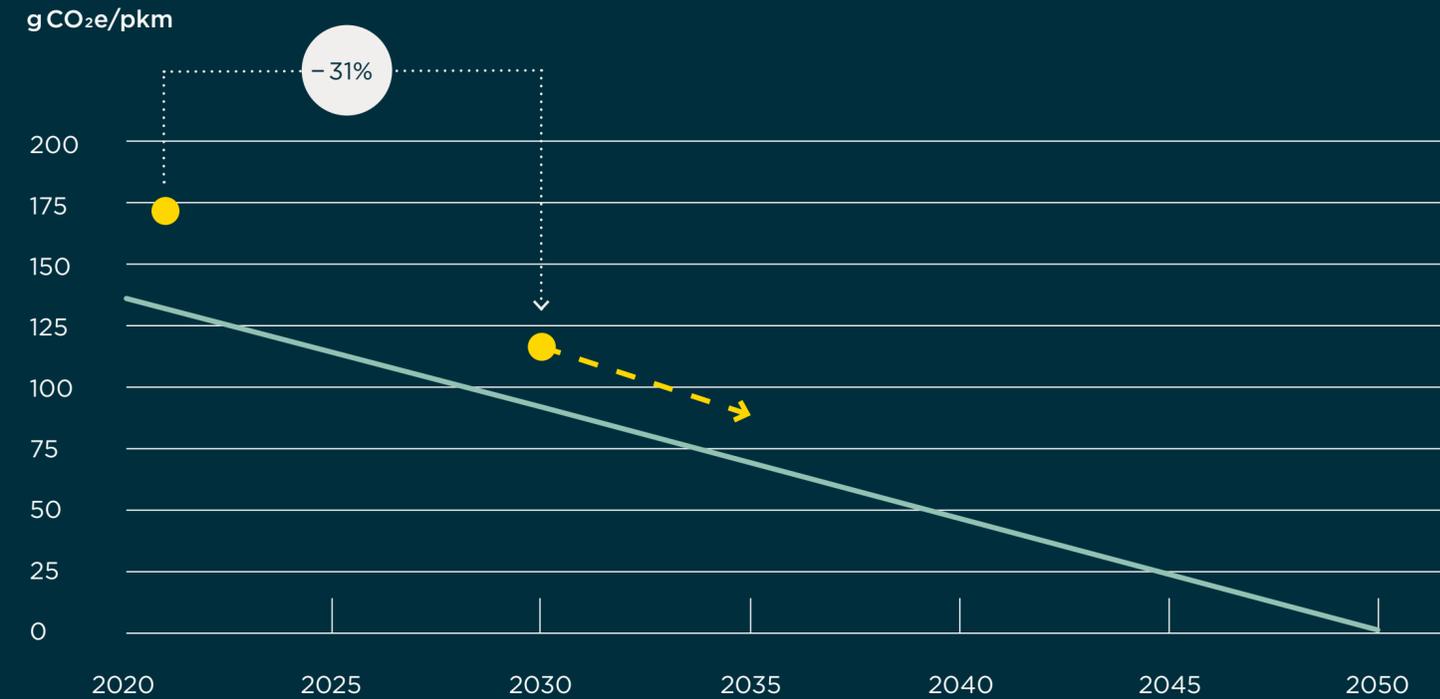


Automotive

For the automotive industry, electric mobility is central to achieving the Paris climate goals. The carbon emissions of the vehicles produced per kilometre travelled are taken into account in this area, as the greatest impact on the climate is in the use of the vehicles, not in their production. The focus of the control system is therefore on **vehicle production**, as this determines the technologies used for driving, such as the proportion of electric vehicles produced, and thus controls production and the market.

The calculation is based on externally sourced data on activity volume and specific carbon intensity.

Emission intensity and targets



Commerzbank aims to reduce carbon intensity (based on the baseline year 2021) in the automotive sector by at least 31 percent to 117g CO₂e/pkm by 2030. In the automotive sector, our 2030 target is based on the global target pathway of the 1.8-degree scenario. This pathway is provisional and will be updated once a new 1.5-degree target pathway is available from the SBTi.



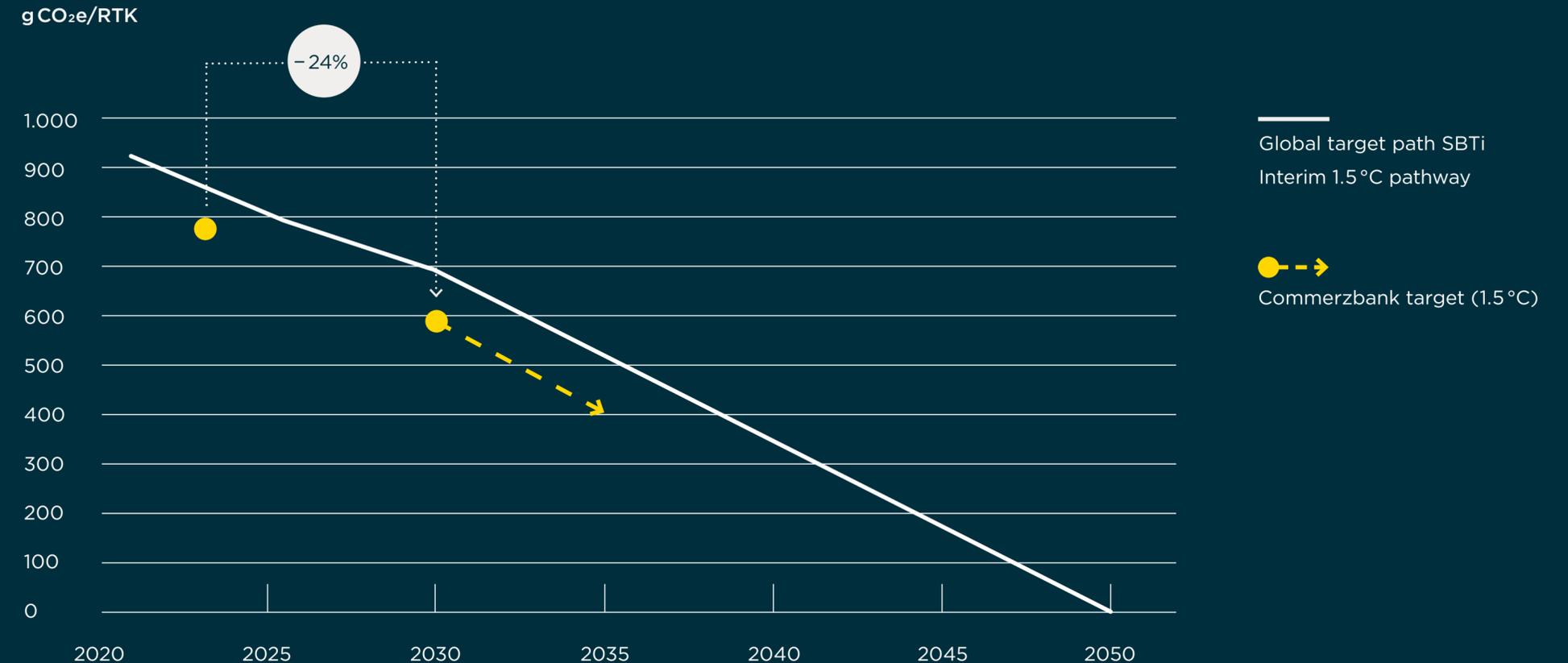


Aviation

The International Energy Agency's (IEA) net-zero scenario assumes that by 2050, revenue passenger-kilometres in air transport will increase by around 2,9 percent annually compared with 2019, while emissions will continue to fall. Operational improvements and fuel-efficient technologies for aircraft and engines are the main contributors. The net-zero scenario assumes that growth in air traffic is limited by strong regulation. In aviation, the carbon emissions of the aircraft fleet per kilometre flown are taken into account, as it is the use of aircraft rather than their production that has the greatest impact on the climate. The focus of regulation is on **airlines and aircraft operators**, as they decide on the technologies used to fly and therefore control the market.

The calculation is based on externally sourced data on activity volume and specific carbon intensity.

Aviation: Emission intensity and targets



The RTK (revenue tonne kilometre) value is calculated for a combination of passenger and freight air transport and corresponds to one tonne transported per kilometre travelled (tkm). The SBTi has raised the ambition level for the aviation sector to a 1.5-degree target pathway. For Commerzbank, this results in a required reduction of CO₂ intensity in the aviation sector (based on the 2023 baseline year) by at least 24 percent to 593g CO₂e/tkm by 2030.¹

¹ The transition to a 1.5°C target in 2025 is, under current external conditions, viewed as barely or not achievable. Decarbonisation in the aviation sector largely depends on the availability of low-carbon fuels. A significant reduction in emissions within this industry can only succeed if innovations are advanced and the production of sustainable fuels is significantly increased. Starting in 2026, we will therefore additionally align the sector with an internal steering target that is consistent with the Paris Agreement on climate change.



Other sectors including fossil fuels

For all other corporate loan and investments in the economic sectors not covered by the SDA, including the carbon-intensive fossil fuels sector, Commerzbank uses the **Temperature Score Methodology** for the entire value chain.

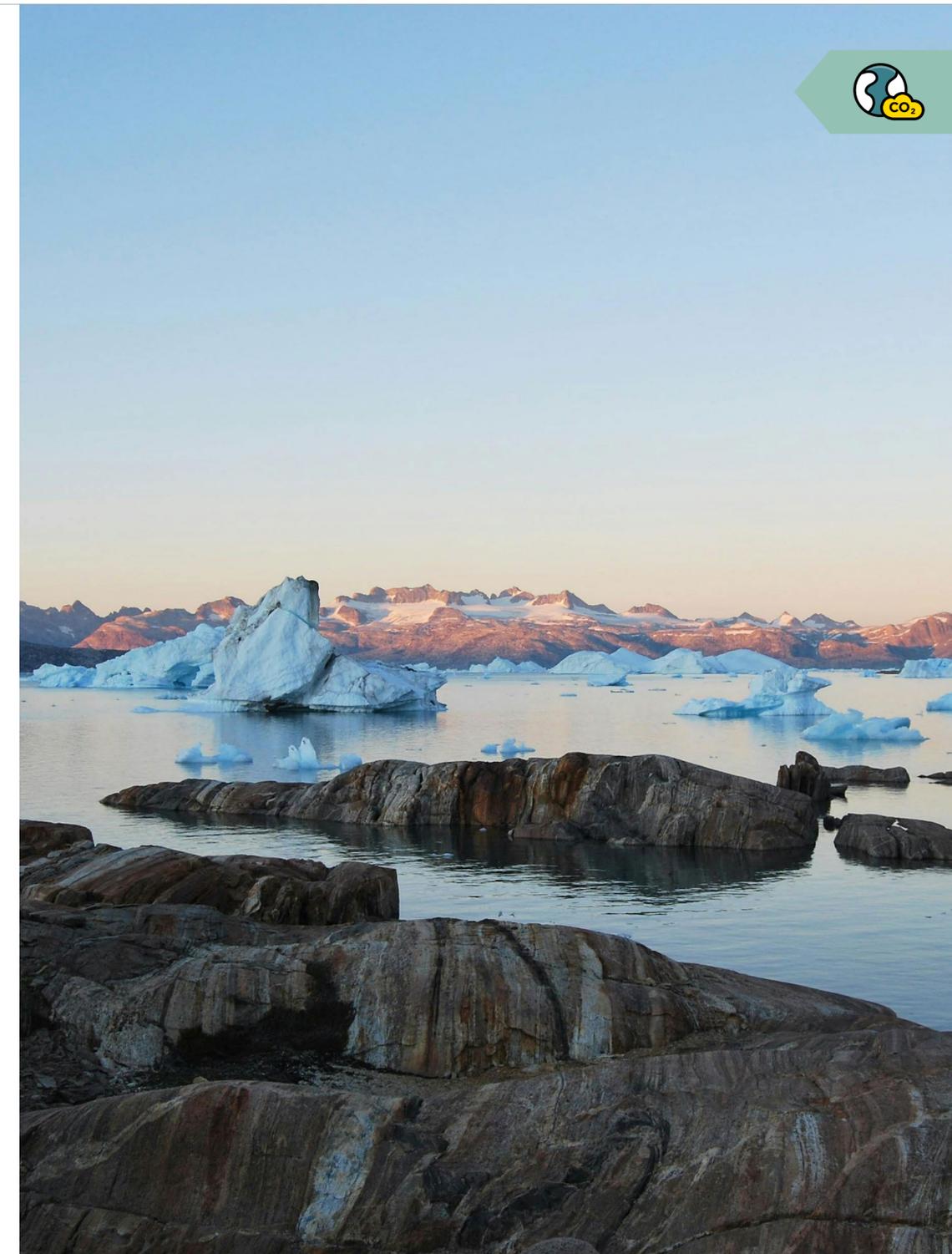
In line with the Greenhouse Gas (GHG) Protocol categorisation we distinguish between Scopes 1, 2 and 3 for GHG emissions generated in the value chain. The temperature score targets are calculated separately for the corporate loan and investment portfolios for Scopes 1 and 2 and for Scopes 1 to 3 using the linear annual temperature reduction rate (LATR) and set at the 1.5-degree target level for the target year 2026.

For this purpose, the temperature values of Commerzbank borrowers are provided by an external data provider. A default value of 3.2 degrees Celsius is used for all companies for which no temperature value is (yet) available. As soon as all portfolio customers have received their final temperature score for Scopes 1 and 2 and for Scopes 1 to 3, the individual temperature scores are weighted with the customer's respective utilisation and aggregated at portfolio level to form a portfolio temperature score 1 and 2 and a portfolio temperature score 1 to 3.

The following temperature values result for Commerzbank's corporate loan and investment portfolio:

Asset classes	GHG Scopes	Temperature score
Corporate loans	Scopes 1, 2	2021: 3.11 °C 2026: 2.69 °C
	Scopes 1, 2, 3	2021: 3.15 °C 2026: 2.71 °C
Investments	Scopes 1, 2	2021: 3.03 °C 2026: 2.63 °C
	Scopes 1, 2, 3	2021: 3.07 °C 2026: 2.66 °C

The carbon-intensive sectors of fossil fuels, oil and gas, as well as coal, are managed within the Temperature Score approach. Commerzbank plans to additionally define its own sector-specific carbon reduction targets for the portfolio in 2026.



Tackling climate change – Commerzbank is focusing on carbon reduction targets in the loan and investment portfolio for the 1.5-degree target.



Operational steering

To monitor the SDA-related loan and investment portfolios, an overarching portfolio management system was introduced in 2024. It allows the sector targets to be assessed against tolerance corridors. The aggregated physical intensities of the respective SDA portfolio are evaluated and analysed with regard to their respective degree of target achievement. Depending on the performance of the SDA portfolios, specific operational management options are defined with the business segments.

We aim to achieve the (SBTi) net-zero targets through the following measures:

1. Sector-specific client engagement dialogue, particularly in emissions-intensive sectors, and provision of dedicated human resources for this purpose
2. Tailored transformation advice, including the financing instruments required for the transformation
3. Classification of clients from an SBTi perspective, development of operational target pathways and translation of targets into measures and financing solutions at the client level
4. Active loan and investment portfolio management along the SBTi sector pathways
5. Expansion of the sustainable product range
6. Differentiated pricing models where feasible for specific portfolios
7. Consistent implementation of our Fossil Fuels Policy

To fulfill our commitment as a net-zero bank and to comply with the SBTi guidelines, we actively support our clients in reducing their emissions and accompany them on their transition towards a climate-friendly and low-emission economy.

Steering options in the existing business are significantly limited due to contractual obligations and medium- to long-term loan maturities, meaning that an exit is not possible or only to a very limited extent.

However, we introduced an **ESG vote process** for new business decisions in 2022 and developed it further. New business requests are checked for compliance with Commerzbank's (SBTi) net-zero targets.

New transactions with companies in the GHG-intensive SDA sectors (including fossil fuels) that are subject to the **Inflow Steering Committee (ISC)**, a decision-making body of the Corporate Clients division, must undergo the ESG vote process. This consists of both a qualitative and a quantitative assessment which then lead to a client classification. The qualitative assessment is based on an ESG questionnaire that assesses the transformation pathway of a client. This is complemented by a quantitative assessment, which examines whether a client's emission intensity tends to be above, on or below the targeted carbon reduction path. This is the basis upon which a client and portfolio management approach are defined. From 2026, the obligation to conduct the ESG vote process will also be extended to the largest existing business engagements.



“The necessary transformation of the economy goes hand in hand with enormous financing needs – as well as opportunities for growth. We support our clients on their journey and pursue the sustainability goal of minimising the carbon footprint of our loan business and investment portfolios to net zero by 2050.”



Bernd Spalt

Member of the Board of Managing Directors,
Chief Risk Officer (CRO)



Sustainable Finance: Financial products for a sustainable future

Sustainable finance products play a central role in promoting a responsible financial world and real economy. For Commerzbank, sustainability means supporting ecological and environmentally friendly investments. At the same time, it is about assuming social responsibility and supporting projects that contribute to the betterment of society and to social justice. Our sustainable financial products in the areas of loan business (see ↘ [page 48](#)), bonds (see ↘ [page 52](#)), investment business (see ↘ [page 53](#)), pension provision, trade finance, own investments, own bond issuances and deposits (see ↘ [page 56](#)) therefore aim to meet both environmental and social objectives to ensure a holistic approach to promoting sustainability and social prosperity.

All financial products that we classify as sustainable are subject to internal review. The Sustainability Management team ensures that the classification of a product as financially sustainable is appropriate. This review is integrated into clearly defined processes for new products.

¹ The classification and objectives of our lending business encompass Commerzbank AG in both domestic and international markets.

² The total volume of newly recorded and outstanding loan commitments within the past 12 months as of the reporting date. In the Corporate Clients segment, this includes not only new agreements but also the extension of existing contracts.

→ Target E2 Sustainability in the loan business

With its sustainable loan business¹, Commerzbank is actively driving forward the transformation towards a more sustainable economy. We directly finance sustainable measures and business models (green loans and social loans) as well as initiatives that support the transition to more sustainable business models (transition loans). We have set ourselves the goal of granting at least 10 percent of our new loan business² as sustainable loans in the long term.



In the long term, at least **10% of our new loan business will go into sustainable loans.**



Green loans and social loans

Green loans finance projects such as renewable energy, energy efficiency measures and conservation initiatives to promote environmental sustainability. Social loans support projects with a positive social impact, such as health and education projects, programmes to combat poverty, or social integration initiatives. With its green loans and social loans, Commerzbank aims to promote investment in projects and companies that positively impact sustainability.

Transition loans

Transition loans focus on financing the transition of companies and sectors to more sustainable business models. Commerzbank aims to accompany companies on their path towards a low-carbon and sustainable economy. Transition loans are therefore an important building block for achieving the goals of the Paris Agreement.

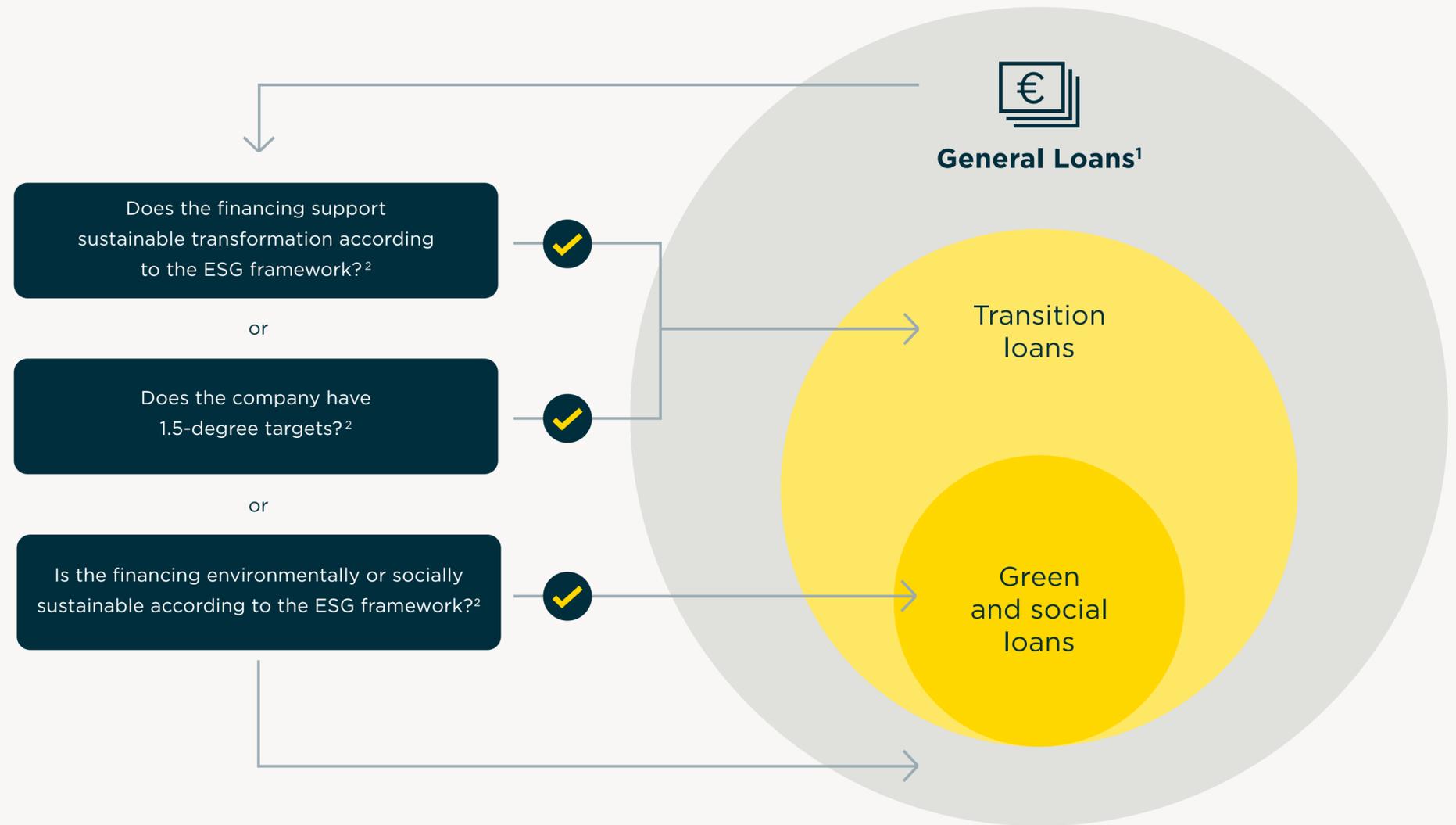


To clearly define which commitments meet our sustainability requirements and can therefore be categorised as sustainable loans (green, social or transition loans), we have developed a transparent assessment scheme and our own criteria.

Commerzbank offers products that we consider to be essentially sustainable, as they generally meet the criteria of the sustainable loans assessment scheme for the sustainable use of proceeds. These include renewable energy financing (see ↘ [page 48](#)) and green building financing (see ↘ [page 49](#)).

In our corporate client business, we also offer products that may include ESG components (e.g. corporate loans, see ↘ [page 48](#)). Relationship managers apply the standards of this ESG framework to classify transactions. They have access to specially developed tools that enable them to categorise transactions as either sustainable use of proceeds or as sustainability-linked. For non-standardised financing, the Sustainable Finance Expert Group is always consulted. This group consists of experts from the areas of Corporate Clients, Sustainability Management and Environmental Risk Controlling.

Sustainable loans assessment scheme



¹ Our criteria for General Finance (including general loans) are set out on ↘ [page 16](#).
² The assessment steps are detailed on ↘ [page 38](#).





Green and social loans

Commerzbank defines the following loan transactions as green loans or social loans:

1. EU taxonomy-compliant use of proceeds

According to the EU Taxonomy Regulation, loans are considered sustainable if they make a substantial contribution to at least one of the six environmental objectives defined in the taxonomy but “do no significant harm” any of the other objectives. In addition, “minimum social safeguards”, such as human rights, must be respected. Compliance with the taxonomy is verified on the basis of the European Union’s strict technical screening criteria.

2. Green and social use of proceeds

The EU Taxonomy Regulation is characterised by a very narrow definition of sustainability as well as complex assessment processes. For this reason, Commerzbank has defined its own list of sustainable investments. This makes it possible to take into account financing for which a comprehensive review of the taxonomy is not possible or which pursues social objectives.

A loan transaction can be classified as a green or social loan if its known use of proceeds can be allocated to a green or social type from the list of sustainable uses (see table on ↘ [next page](#)). Furthermore, the entire loan business of a company is classified as green or social loan if more than 90% of its revenue comes from activities that are classified as green or social loan according to the ESG framework.¹

Transition loans

Commerzbank defines the following loan transactions as transition loans:

1. Sustainability-linked loans

At Commerzbank, loans whose terms and conditions are linked to the borrower achieving certain ambitious sustainability targets are classified as transition loans in two forms:

- ESG-rating-linked loans
- KPI-linked loans

ESG targets include environmental objectives such as reducing carbon and greenhouse gas emissions or increasing the share of renewable energy in total energy consumption. They also include social objectives such as promoting diversity or improving occupational safety.

The use of proceeds is not restricted to sustainable purposes, and the loan can be used for general corporate financing. The ↗ [Principles of the Loan Market Association for sustainability-linked loans](#) apply to corporate client business.

2. Companies with 1.5-degree targets

Transition loans include all loans to companies that have set 1.5-degree-aligned targets, meaning they are in compliance with the Paris Agreement’s goal of limiting global warming to a maximum of 1.5 degrees Celsius. The verification is conducted using the Bloomberg Temperature Score (aligned with 1.5 degrees Celsius or less).

3. Use of proceeds to support the sustainable transition

A loan transaction qualifies as a transition loan if its known use of proceeds can be assigned to a transition type from the list of sustainable uses of proceeds (see table on ↘ [next page](#)). When concluding such a transition loan, we additionally assess whether the financing is part of an ambitious transformation strategy. Furthermore, the entire loan business of a company is classified as transition loan if more than 90% of its revenue comes from activities that are classified as transition loan according to the ESG framework.¹

General loans

All loan products that cannot be classified as green loans, social loans or transition loans fall into the category of general loans. Of course, only loans that do not fall under Commerzbank’s exclusion criteria are considered here.

¹ The review logic for companies is currently only applied to corporate financing under the CoC Green Infrastructure Finance (see ↘ [page 48](#)), which is categorized as green loan.



Sustainable use of proceeds

For the power, transport, property, industry and agriculture sectors, we have defined sustainable uses of proceeds. For the fields of social services, nature conservation, circular economy and information technology we have defined further-reaching uses of proceeds. For sustainable loans, we define individual segments with specific purposes for each sector and area. These indicate whether the loan is green or social or whether it falls under transition finance. This categorisation enables us to align our loan business with the [UN sustainable Development Goals \(SDGs\)](#) and thus contribute to sustainable development.

Power

The power sector includes the generation, storage and distribution of electricity, which is essential for the supply of households, businesses and public institutions. It plays a central role in the modern economy, as it forms the basis for almost all industrial and technological processes. Commerzbank defines sustainable uses for the generation, storage and supply of electricity. Furthermore, there are intersections with the area of circular economy (↪ see [page 46](#)), whose sustainable use of proceeds can be applied in the area of power.



	Segment	Type	Use
E.1	Electricity generation from renewable sources (excluding biofuels)	Green	Power from solar (photovoltaics), wind (onshore and offshore), marine energy (tidal power plants, wave power plants), hydropower, geothermal energy Electrical energy from green hydrogen Development and production of components and systems for energy generation from renewable energies Infrastructure exclusively needed to build offshore wind farms
E.2	Electricity generation from biofuels and grey or blue hydrogen	Transition	Biofuels such as biomethane from energy crops Power from grey or blue hydrogen
E.3	Electricity generation from hybrid technologies using at least 80% renewable energy sources	Transition	Solar thermal plants supported by less than 20% fossil fuels Hybrid hydropower plants supported by less than 20% fossil fuels Development and production of components and plants for energy generation from hybrid energies
E.4	Electricity storage	Green	Battery storage Hydrogen storage Pumped storage power plants Flywheels Compressed air storage Heat storage
E.5	Transmission and storage of electricity	Green	Infrastructures that increase the stability of the electricity grid and thus help to ensure that more renewable energies can be connected to the grid



Transport

The transport sector comprises all activities and infrastructure that enable the movement of people and goods by various means. This includes surface transport (including rail and road transport), air transport and waterborne transport, which together ensure mobility and the flow of goods in an economy. Commerzbank defines sustainable use in the areas of acquisition, construction and conversion of vehicles and transport infrastructure. Furthermore, there are intersections with the area of circular economy (↪ see [page 46](#)), whose sustainable use of proceeds can be applied in the area of transport.



	Segment	Type	Use
V.1	Purchase and construction of vehicles with renewable technologies	Green	Electric and hydrogen vehicles for ground (rail/road), air and water
V.2	Conversion of vehicles for use with renewable technologies	Transition	Conversion of vehicles for use with renewable technologies
V.3	Purchase and construction of vehicles with hybrid technologies	Transition	Purchase and construction of vehicles with hybrid technologies
V.4	Conversion of vehicles for use with hybrid technologies	Transition	Conversion of vehicles for use with hybrid technologies
V.5	5 Infrastructure for zero-emission, low-emission or hybrid transport	Green	Charging stations for electric vehicles, hydrogen, bunkering facilities for biofuels Rail infrastructure, Bus Rapid Transit (BRT) infrastructure, traffic flow and modal shift, tunnels connecting buildings to existing transit stations Infrastructure for active mobility such as cycling Information and communication technology (ICT) to improve asset utilisation



Real estate

The real estate sector comprises private, commercial and public buildings that provide living space, workspaces and public services. The key challenges here are the sustainable generation of energy and the low and efficient consumption of energy (especially thermal energy). Commerzbank defines sustainable use in the areas of energy supply for properties, storage and supply of thermal energy and energy-efficient properties. Furthermore, there are intersections with the area of circular economy (↪ see [page 46](#)), whose sustainable use of proceeds can be applied in the area of real estate.



	Segment	Type	Use
I.1	Technologies for the sustainable production of thermal energy and electricity for buildings	Green	Photovoltaic (PV) systems Solar thermal energy Micro wind turbines Micro and mini CHP Residential fuel cells Heat pumps (e.g. air-to-water heat pumps, geothermal heat pumps, water-to-water heat pumps)
I.2	Hybrid technologies for generating thermal energy and electrical energy for buildings with at least 80% from renewable sources	Transition	Heat pump and gas boiler heat generation Generation of heat and electrical energy through combined heat and power (CHP) systems and solar thermal energy Heat production from gas condensing boilers and solar thermal Heat and electrical energy production through fuel cell and gas condensing boilers Heat and electricity production from hybrid power plants (gas and biogas)
I.3	Storage of thermal energy for buildings	Green	Concrete core temperature control Thermal storage walls Phase change materials (PCM) in the building structure
I.4	Distribution of thermal energy to buildings	Transition	Extension of the district heating network (primary network and transfer station)
I.5	Construction and acquisition of buildings with energy efficiency class A/A+	Green	Construction and acquisition of buildings with energy efficiency class A/A+
I.6	Construction and acquisition of buildings with energy efficiency class B/C	Transition	Construction and acquisition of buildings with energy efficiency class B/C
I.7	Measures to improve energy efficiency	Green	Installation of energy management systems, building management systems, heat metering, smart grid technologies (including smart grid components such as monitoring systems, metering devices, smart meters, control automation devices or computing platforms) to improve grid efficiency Replacement of doors and windows with energy-efficient options Replacement of inefficient lighting systems with LED lighting systems
I.8	Measures to improve energy efficiency	Transition	Energy-efficient renovation of buildings in energy efficiency class B and lower Installation of energy management systems, building management systems, heat metering, smart grid technologies (including smart grid components such as monitoring systems, measuring devices, smart meters, control automation devices or computing platforms) to improve grid efficiency Replacing doors and windows with energy-efficient options Replacing inefficient lighting systems with LED lighting systems
I.9	Measures for natural climate protection and on buildings and company premises	Green	Greening of buildings (roofs, facades) Unsealing of paved surfaces Sustainable water management Installation of habitat elements such as nesting aids and purchase of technical equipment for nature- and insect-friendly maintenance of greened buildings



Industry

Industry is the part of the economy that deals with the production of goods and commodities. It includes various sectors such as manufacturing, building materials (e.g. cement production), metals (e.g. aluminium, iron and steel) and chemicals, and is central to economic growth and technological innovation. Commerzbank defines sustainable use in the areas of low-emission industrial processes, resource-saving industrial processes, waste heat utilisation, innovative energy generation and carbon offsetting. Furthermore, there are intersections with the area of circular economy (↘ see [page 46](#)), whose sustainable use of proceeds can be applied in the area of industry.



	Segment	Type	Use
In.1	Use of renewable energy in industrial processes	Green	Integration of solar, wind or hydropower or other renewable sources to supply energy to the production facilities
In.2	Use of low-emission alternative technologies in industrial processes	Transition	Blue hydrogen, coal-to-gas transition, low-carbon fuels
In.3	Energy-efficient optimisation of production facilities	Transition	Use of energy-efficient machines and technologies that reduce energy consumption per production unit Electrification of production facilities
In.4	Material-efficient optimisation of production facilities	Transition	Improvement of production processes to minimise material waste or reintroduce it into the production cycle Use of recycled materials instead of non-renewable or environmentally harmful materials Use of bio-based materials or responsibly managed raw materials Use of lighter but equivalent materials to reduce material consumption while maintaining performance Integration of recycled materials into the production process Design of products that are more environmentally friendly Industrial symbiosis: collaboration between different industries so that waste products from one industry are used as raw materials for another Projects to integrate the circular economy into industry
In.5	Water-efficient optimisation of production facilities	Transition	Water recycling, reuse of process water through cleaning and reprocessing within the plant Water-saving technologies Use of technologies and processes that reduce water consumption in the production process
In.6	Waste heat recovery and innovative energy generation in industrial processes	Transition	Recovery of waste heat from industrial processes for heating or other production steps Integration of industrial waste heat into district heating networks Utilisation of energy from waste incineration
In.7	Carbon offsetting in industrial processes	Transition	Carbon capture and storage (CCS) Carbon capture and utilisation (CCU) Pipelines systems and infrastructure for CO ₂ transport
In.8	Production, storage, and distribution of (green) hydrogen	Green	Infrastructure for the production of green hydrogen (electrolyzers) Pipelines for the distribution of green hydrogen Hydrogen storage solutions



Agriculture

The agricultural sector comprises the value added generated in an economy by agriculture, in particular by crop and livestock production, forestry and fisheries. It is the basis for food security and the supply of renewable raw materials. Furthermore, there are intersections with the area of circular economy (↪ see [page 46](#)), whose sustainable use of proceeds can be applied in the area of agriculture.



Segment	Type	Use
A.1 Sustainable crop production	Green	Organic cultivation of crops in accordance with sustainable farming standards such as Demeter, Bioland, Naturland, EU organic seal, Biokreis, Neuland Use of organic fertilisers, unprocessed natural fertilisers and secondary materials including compost and fermentation by-products Avoidance of chemical pesticides and synthetic fertilisers Organic plant protection Direct sowing Promotion of soil health through crop rotation, composting and fermentation by-products Compost and fermentation by-products Avoidance of chemical pesticides and synthetic fertilisers Biological plant protection No-till farming Promotion of soil health through crop rotation, composting, soil cover Agroforestry methods (integration of trees and shrubs into agricultural processes) Permaculture and regenerative farming methods Measures to increase efficiency and resource-conserving agriculture Optimisation of water consumption (water monitoring and measures to manage water losses such as leakage control or water efficiency systems, water storage and distribution such as rainwater harvesting systems or drip irrigation systems) Precision farming, satellite farming Conversion to electric agricultural equipment IoT for resource management (water/energy)
A.2 Sustainable livestock farming and husbandry	Green	Organic and species-appropriate livestock farming in accordance with sustainable farming standards such as Demeter, Bioland, Naturland, EU organic label, Biokreis, Neuland Measures to increase efficiency and conserve resources in livestock farming Optimisation of water consumption (water monitoring and measures to manage water losses such as leakage control or water efficiency systems), water storage and distribution such as rainwater harvesting systems or drip irrigation systems) IoT for resource management (water/energy)
A.3 Sustainable forestry and forest management	Green	Sustainable forestry in accordance with sustainable forest management standards such as FSC or PEFC Forest protection measures Reforestation, restoration, afforestation, rehabilitation Conservation measures using native tree species with a sustainable forest management plan Direct seeding Financing of sustainable forests Financing of sustainable forest products Conversion to electric forestry equipment
A.4 Sustainable fish farming and aquaculture	Green	Sustainable fishing according to standards such as MSC, ASC, Naturland Wildfisch



Social services

The social sector includes all measures aimed at ensuring the social security and well-being of the population. It should serve social justice by supporting disadvantaged population groups and helping to reduce social inequalities. Commerzbank defines sustainable use in the areas of affordable basic services, health, education and training, culture, disaster prevention and the promotion of social justice.



Segment	Type	Use
S.1 Affordable basic services	Social	Affordable basic infrastructure: projects that enable or expand affordable access to clean energy in areas that are inaccessible or inadequately accessible, clean drinking water, sanitation and transport Development of telecommunications networks and related infrastructure specifically for underserved communities in developing countries Access to essential services: funding to improve access to universally accessible healthcare and public education regardless of ability to pay Affordable housing: funding for the construction or ownership of affordable housing, houses and flats, provided the socially disadvantaged target group is well defined Food security: investment in small-scale farming facilities, facilities and infrastructure in target regions/countries where food security needs to be established or food loss needs to be addressed, with the aim of increasing agricultural productivity without causing environmental or social harm Funding for projects aimed at providing access to sufficient, sustainably grown food to populations without access to healthy food
S.2 Hospitals and care facilities	Social	Development, expansion, digitalisation or acquisition of buildings or facilities in non-profit, public, independent or university-affiliated hospitals, clinics, psychiatric facilities or healthcare facilities Development of any facilities for community health services Development of critical medical equipment or provision of diagnostic services for public and private hospitals
S.3 Infrastructure for (early) childhood education and care and upbringing	Social	Infrastructure for daycare centres and after-school care centres, kindergartens, preschools, family centres
S.4 Infrastructure for educational institutions	Social	Infrastructure for general education schools (primary schools, secondary schools), for vocational education (e.g. vocational schools, technical schools, vocational academies), for higher education (universities, [technical] colleges) and adult education e.g. adult education centres, evening classes)
S.5 Cultural projects with social objectives	Social	Cultural projects that aim to have a positive social or cultural impact in addition to a financial return Funding of educational programmes in museums that aim to increase access to culture for disadvantaged communities: art projects for the homeless, cultural education programmes, intercultural dialogue projects, creative therapy projects, cultural projects for the elderly, cultural incubators, street art initiatives, digital cultural platforms, inclusive festivals, literature programmes for prison inmates, cultural projects on the culture of remembrance
S.6 Empowerment of socially disadvantaged groups	Social	Projects that aim to empower socially disadvantaged groups/minorities, such as: people living in poverty, excluded or marginalised populations or communities, people with disabilities, migrants or displaced persons, the undereducated (including illiteracy/digital illiteracy), the underserved due to lack of quality access to essential goods, unemployed people, women, sexual and gender minorities, ageing populations or vulnerable youth, vulnerable groups, including due to natural disasters



S.7 **Strengthening civil protection**

Social

Early warning systems for natural disasters | Emergency plans and evacuation drills | Construction of dams and flood defences | Construction of emergency shelters and general shelters | Preparation of disaster management plans | Installation of warning sirens and loudspeaker systems | Training and education of emergency personnel | Stockpiling of food, water and medicines | Satellite monitoring and weather forecasting systems | Promotion of resilient construction and infrastructure

S.8 **Promoting career opportunities for women**

Social

Women’s networks and platforms to support and promote women in professional life, especially in business start-ups and management positions

Nature conservation

The area of nature conservation encompasses measures and strategies for the preservation and protection of natural habitats and biodiversity. The aim is to preserve biodiversity and ecological processes in order to safeguard natural foundations for future generations. Commerzbank defines sustainable uses in the area of restoration and conservation of nature and biodiversity as well as education in the area of nature conservation.



	Segment	Type	Use
N.1	Restoration	Green	Restoration of natural habitats, such as returning rivers to their original state or rewetting moors Reforestation and forest protection: planting trees and protecting existing forests to increase biodiversity and stabilise the climate
N.2	Creation and maintenance of nature conservation reserves	Green	Designation of areas to be placed under protection due to their special ecological importance
N.3	Biotope connectivity	Green	Creation of corridors that allow wildlife to migrate between different habitats
N.4	Water protection	Green	Measures to protect rivers, groundwater, lakes and seas, e.g. by regulating discharge and combating plastic pollution.
N.5	Environmental education and outreach	Green	Raising public awareness of nature conservation issues through educational programmes and campaigns



Circular economy

The field of circular economy and sustainable economic practices encompasses all activities aimed at promoting environmentally friendly and resource-efficient business models. The circular economy model focuses on reducing raw material usage, waste, and emissions. It is designed to support sustainable growth and minimize environmental impacts by advancing the development and implementation of circular economy practices. Commerzbank defines sustainable applications across areas such as sustainable raw material selection, design and manufacturing, resource reduction and waste prevention, usage, reuse and repair, recycling, and fully integrated circular economy models. These applications are implemented in sectors such as electric energy, transportation, real estate, industry, and agriculture.



Segment	Type	Use
K.1 Sustainable raw material selection, design, and production	Transition	Design of products, systems and infrastructures with the goal of extending their lifespan, minimising waste and conserving resources Development of products and facilities that are designed from the outset for reusability, reparability, refurbishment or recycling, e.g. through the use of renewable, recyclable or secondary raw materials instead of primary materials Introduction of modular design strategies that enable easy disassembly, repurposing or reuse of materials, while promoting the use of recyclable, biodegradable or reusable materials
K.2 Reduction of resources and waste prevention	Transition	Introduction of energy-efficient and resource-efficient production methods, such as lean management or comparable approaches Implementation of waste reduction strategies, such as zero-waste principles in production and system processes Deployment of efficiency technologies and innovative solutions to reduce emissions and energy consumption throughout the entire lifecycle
K.3 Reuse, repair and refurbishment¹	Transition	Reuse of products and materials in their original form, e.g. through cleaning or minor reprocessing Repair of defective or damaged products to restore their functionality, e.g. replacement of components in machinery or equipment Refurbishment of used products to improve their quality and enable renewed usage, e.g. refurbished electronic devices or reconditioned vehicles Promotion of business models such as the sharing economy, e.g. rental and exchange platforms for products Utilisation of components or materials from decommissioned products in new applications, e.g. parts made from reclaimed materials Implementation of take-back and repair programmes, e.g. collection systems for textiles or electronic devices
K.4 Recycling¹	Transition	Use of resource-efficient recycling methods to recover materials from industrial, commercial, municipal or agricultural waste, which operate energy-efficiently, with low emissions and minimal waste production, without focusing on the recovery of energy carriers. This includes mechanical recycling (disassembly, shredding, sorting, cleaning, melting), chemical recycling (pyrolysis or depolymerisation of complex materials), metallurgical recycling (recovery of metals through melting, separating and purifying) and biological recycling (decomposition of organic waste by microorganisms or enzymes to produce compost, biogas or other useful substances) ¹
K.5 Comprehensive circular economy	Green	Products, systems and infrastructures certified with a Platinum or Gold status according to Cradle-to-Cradle (C2C) standards Buildings and construction-related infrastructures certified with a Platinum rating according to the German Sustainable Building Council (DGNB) standards

¹ The use of proceeds for reuse, repair and refurbishment as well as recycling must be submitted without exception to the Sustainable Finance Expert Group for review.



Information technology

The field of Information Technology (IT) encompasses the development, provision, and operation of systems for processing, storing, and transmitting data. IT is a key technology that transforms nearly all areas of the modern economy through digitalization, automation, and connectivity. It enables more efficient processes, reduces resource consumption, and promotes sustainable solutions in other sectors. IT serves as a means for implementing sustainable approaches in sectors and areas for sustainable use of proceeds (see ↘ page 39). Additionally, Commerzbank defines sustainable purposes in the IT field in connection with data center infrastructure, which is essential for the responsible deployment of artificial intelligence.



	Segment	Type	Use
IT.1	Energy and water efficient data centers	Transition	Construction, acquisition or modernization of data centres whose owners are committed to the goals and efficiency requirements of the Climate Neutral Data Centre Pact (CNDCP) and demonstrably implement these Construction, acquisition or modernization of data centres with a Power Usage Effectiveness (PUE) of ≤ 1.3 in cool climate zones or PUE ≤ 1.4 in warm climate zones ¹ , as well as a Water Usage Effectiveness (WUE) of ≤ 0.40 l/kWh in water-stressed regions ²

¹ Cool or resp. warm climate zones are regions where cooling degree days, as defined in the ↗ Eurostat Database – Cooling and heating degree days, fall below or resp. exceed a threshold of 50, respectively. This classification is based on European climate data and is primarily applicable to EU member states. For non-European regions, classification can be determined based on equivalent, internationally recognized climate classification systems.

² Regions under water-stress are areas where annual water withdrawal exceeds 20% of renewable water resources. The classification is based on the global ↗ WRI Aqueduct Water Risk Atlas. Regions without sufficient data in this system are not assessed but are considered as water-stressed regions within the ESG framework. As of 2030, all German data centres that comply with the thresholds of the German Energy Efficiency Act (EnEfG) will automatically meet the above-mentioned PUE criteria. Provisions of the EnEfG: PUE ≤ 1.5 from 01/07/2027 and PUE ≤ 1.3 from 01/07/2030 for existing data centres; PUE ≤ 1.2 for new data centres from 01/07/2026 or at the latest two years after commissioning.



“As a strategic partner, we support our corporate clients on their path to long-term success with tailored financing solutions.”



Michael Kotzbauer

Deputy Chairman of the Board of Managing Directors, Corporate Clients division

Sustainable loan products

The loan products that we classify as sustainable loans according to our [sustainable loans assessment scheme](#) are listed below. The classification is based on either a green, social or transition use of proceeds (according to the list of sustainable uses of proceeds on [page 39](#)) or by linking the borrower to a sustainability goal (sustainability-linked, transition loan).

Loan products for our corporate clients

The following loan product families can be sustainable on a bilateral or syndicated basis and fall into the category of sustainable loans. The products listed are subject to a pre-financing review to ensure that the transaction meets the criteria of the sustainable loans assessment scheme. Only green infrastructure financing is generally considered sustainable.

Fundamentally, the criteria defined in the [Loan Market Association's principles](#) for green loans, social loans and sustainability-linked loans must be observed.

Green infrastructure financing includes project financing for renewable energy and other green infrastructure as well as the full range of banking services for companies in the renewable energy sector. The focus is on wind energy (onshore and offshore), solar energy and, increasingly, related energy transition technologies ([CoC Green Infrastructure Finance](#)).



Corporate loans include financing (including promissory note loans) for general corporate purposes such as working capital, investments, acquisitions or debt refinancing. They can be structured as long-term investment loans, revolving loans or guarantee lines. Corporate loans can be categorised as sustainable loans through the sustainable use of proceeds or sustainability links.

The **asset finance business** focuses on the provision of working capital solutions (e.g. borrowing base financing, supply chain financing), aircraft financing and asset-backed securitisation as well as other tailor-made financing solutions for Commerzbank's corporate clients. Financing solutions range from standardised products to tailor-made solutions that allow clients to flexibly combine liquidity, risk transfer and balance sheet management products. The asset finance products can be categorised as sustainable loans via sustainability links. Asset-backed securitisation can also be a sustainable use of proceeds.

Export finance provides tailor-made financing solutions for the export and import of goods, services and commodities. The product range includes financing either backed by an Export Credit Agency (ECA) guarantee or secured by additional structural elements as part of a financing agreement. Export financing can be categorised as sustainable loans by virtue of the sustainable use of proceeds or sustainability linkages.



With our **leveraged finance loan** business, we support financial investors throughout the entire investment cycle, i.e. from initial corporate financing, through public-to-private, add-ons, refinancing and recapitalisation, to financing the exit (e.g. via an IPO).

A typical leveraged buyout (LBO) structure is designed to cover the target's overall financing needs and working capital requirements through revolving credit and guarantee facilities. Leveraged finance loans can be classified as sustainable loans via sustainability links.

The **leasing business of Commerz Real Mobilienleasing GmbH**

offers companies tailored financing solutions for the procurement of movable assets such as machinery, vehicles, and IT equipment. This also includes financing options for ecologically sustainable leasing objects, such as electric vehicles and forklifts, bicycles, as well as photovoltaic and wind power installations. The leasing business can be classified as a Sustainable Loan by virtue of the sustainable use of proceeds.

Loan products for our private and small-business customers:

Commerzbank's **green mortgage loans** serve to finance the purchase, new construction, modernisation or follow-up financing of buildings with a final energy value of no more than 50 kWh per square meter per year of floor space. These buildings are among the most energy-efficient and are therefore considered sustainable according to the current state of discussion and are classified as green loans. In addition, financing for similar uses of buildings with a final energy value of more than 50 to max. 100 kWh per square meter per year of floor space are classified as transition loans.

KlimaDarlehen (transition loan) is an investment loan for small business clients for selected sustainable use of proceeds as specified in this framework from the energy, real estate and transport sectors.

The **Green Mobility Loan** (transition loan), also referred to as Klimakredit, is a purpose-bound instalment loan for private customers. It enables the financing of selected use-of-proceeds categories within the field of e-mobility. The specific eligible activities financed under the loan are aligned with this framework.

The **Sanierungskredit** (transition loan) is a purpose-bound installment loan for private property owners, designed to finance selected energy-efficient renovation measures for existing residential properties. Furthermore, selected measures aimed at promoting biodiversity in private residential properties are also eligible. The specific intended uses follow the criteria of this framework.



“We offer our private and small-business customers a wide range of sustainable products which we continue to develop. In this way, we address the individual needs of our customers and help them achieve financial autonomy.”



Thomas Schaufler

Member of the Board of Managing Directors,
Private and Small-Business Customer



Public funding programmes for our clients:

The funding programmes of the ↗ Kreditanstalt für Wiederaufbau (KfW) include numerous ESG-related financing products with social and environmental objectives. At Commerzbank, all financings related to the following programmes fall into the category of sustainable products:

- **Energy efficiency:** energy efficiency in production, government funding for energy and resource efficiency (KfW 292, 295)
- **Renewable energy and the environment:** renewable energies standard, KfW environmental programme (KfW 270, 240, 241)
- **Climate protection:** climate protection campaign for enterprises (KfW 293)
- **New construction:** climate-friendly new construction in the low-price segment; climate-friendly new construction – non-residential buildings (KfW 596, 299)
- **Refurbishment:** individual measures supplementary loan – non-residential buildings (KfW 263, 523)
- **Sustainable mobility:** investment loan for sustainable mobility (KfW 268, 269)

- **Reducing barriers, increasing comfort and protecting against burglary:** age-related renovation – Loan (KfW 159)
- **Federal funding for efficient buildings:** residential building loan; individual measures supplementary loan – residential buildings (KfW 261, 358, 359)
- **Climate-friendly new buildings:** climate-friendly new construction in the low-price segment, climate-friendly new construction – residential buildings, family homes (KfW 296, 297, 298, 300)
- **Provision of basic infrastructure:** IKU – investment loan for municipal and social enterprises (KfW 148)

The following additional development programmes of the ↗ Landwirtschaftliche Rentenbank (LRB) and the ↗ development bank for North Rhine-Westphalia (NRW.Bank) are classified as sustainable products at Commerzbank:

- Life in the countryside – Rentenbank (LRB 249, 250)
- Energy from the countryside – Rentenbank (LRB 255, 256)
- NRW.BANK.efficiency loans
- NRW.BANK.infrastructure



Buildings that are renovated to be more energy efficient receive support for a sustainable future.



Three questions for Michael Kotzbauer



Michael Kotzbauer

Deputy Chairman of the Board of Managing Directors,
Corporate Clients division

plays a key role in setting Commerzbank's strategic direction. With many years of experience in corporate finance, he is committed to the sustainable transformation of our clients to advance Commerzbank's ESG goals.

Where does the real economy in Germany stand when it comes to sustainable transformation? And how can we at Commerzbank support our corporate customers?

The development of sustainable transformation varies from sector to sector. Some sectors and companies have already made considerable progress and are adapting their business models in a sustainable way. At Commerzbank, we use our extensive industry expertise to support all our corporate clients in their green transformation. We use our in-depth knowledge and loan expertise to help identify the impacts on various business models and give advice on how to finance sustainable projects through green bonds, for example.

How exactly do we support our corporate clients in their sustainable transformation?

We take a close look at the individual needs of our corporate clients and work with them to develop the appropriate financing solution. We also provide financing solutions when a company is at the beginning of its transformation. This is how we facilitate the transition and support their sustainability journey. Our corporate clients also benefit from a regional ESG & Transition Finance advisory team that provides comprehensive,

product-neutral advice on the full range of solutions. A dedicated advisory team is also available for complex corporate finance transactions with an ESG dimension, and we have sector-specific teams that provide expertise along the entire value chain.

Our Centre of Competence Green Infrastructure Finance is one of these sector-specific teams, advising companies in the renewable energy sector. Where do you see particular potential in this field?

The energy transition requires innovative technologies and solutions. That's why we have broadened the focus of our Centre of Competence Green Infrastructure Finance to best support the significant investments in green infrastructure that are on the horizon. Our offering includes bilateral and dedicated project finance for renewable energy and green infrastructure, as well as comprehensive corporate banking services for companies in this sector.

In addition to financing the global expansion of renewable energy, we see great potential in expanding our services, in particular by financing related technologies for the energy transition, such as green hydrogen and storage networks. This also includes developing further expertise in more complex financing structures, such as hybrid structures between corporate and project finance. To strengthen our holistic support for the sector, we're also expanding our M&A capabilities for renewable energy and green infrastructure transactions.



Sustainable bonds

Green, social, sustainability and sustainability-linked bonds in accordance with the relevant principles and guidelines of the [International Capital Markets Association \(ICMA\)](#) are classified as sustainable bonds at Commerzbank:

1. Green bonds, social bonds and sustainability bonds are bonds whose issuance proceeds are explicitly used to finance green, social or a combination of green and social purposes.

2. Sustainability-linked bonds are bonds whose financial or structural characteristics depend on whether the issuer has achieved pre-defined sustainability performance targets (SPTs). In this way, sustainability-linked bonds can promote transparency and incentivise the achievement of ESG objectives. Issuance proceeds can be used for general corporate purposes.

The ICMA Principles and Guidelines are a voluntary standard for the issuance process of such products. They ensure high quality in the issuance process, product standardisation, transparency in the use of proceeds and reporting obligations for issuers and have become established in the international capital markets.



Green, social and sustainability bonds specifically finance green and social projects.



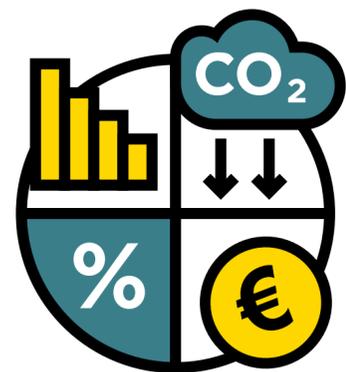
Commerzbank's own green bonds support the expansion of renewable energies.



Sustainability in the investment business

In the investment business, Commerzbank offers product solutions whose investment strategy is geared to sustainability factors. Preference is given to companies that demonstrate sustainable organisational development, take social and environmental goals into account as economic components and contribute to the sustainable development of the economy and society at large.

Sustainable financial instruments can have different environmental, social and governance characteristics. Depending on these characteristics, they meet one or more of the following sustainability standards under the Markets in Financial Instruments Directive (MiFID II):



Under MiFID II, **investment strategies** can be based on **sustainability factors**.

a. Taking sustainable economic activities into account

This standard applies to financial instruments that take into account sustainable economic activities as defined in the **EU Taxonomy Regulation**. A sustainable economic activity must make a substantial contribution to at least one of the sustainability objectives, must not significantly compromise any of the other objectives, must meet minimum social standards and must comply with the principles of good corporate governance. The proportion of economic activities that comply with the taxonomy is recognised by the bank as the taxonomy ratio.

b. Pursuit of sustainability objectives

This standard applies to financial instruments that pursue sustainability objectives as defined by the EU Disclosure Regulation. A sustainable investment must aim for at least one environmental or social objective, must not significantly compromise any of the other objectives, must meet minimum social standards and must comply with the principles of good corporate governance. Commerzbank reports the proportion of investments

that pursue sustainability goals as a corresponding ratio. For the first two standards, Commerzbank assigns the various investments to relevant comparison groups. On the basis of a relative comparison, it divides these into an upper, middle and lower third. This enables the client to choose in which third his or her preferred investments should be placed.

c. Reduction of adverse ESG impacts

The focus of this standard is on reducing negative environmental, social and governance impacts. The main difference between this and the other two statutory sustainability standards is that no direct contributions or investments are sought to achieve a positive sustainability goal. Legally defined key indicators are used to reduce negative impacts on the environment and human coexistence.

Commerzbank has assigned these key indicators to the following four topics:

- Protecting biodiversity
- Mitigating climate change
- Human and labour rights
- Water, waste and resource conservation



Sustainability standards in the investment business

Sustainability standards under MiFID II¹

Taking sustainable economic activities into account
according to the EU Taxonomy Regulation “7a product”



Pursuit of sustainability objectives
according to the EU Disclosure Regulation “7b product”



Reduction of negative ESG impacts
“7c product”



Primary **investment objective** of financial instruments according to relevant standards: focus on one or more ESG areas.

¹Art. 2 no. 7a), b) and c) of the Delegated Regulation (EU) 2017/565

Commerzbank uses various data sources to categorise the standards and calculate the key figures. It obtains information from companies that report annually on sustainability-related indicators as part of their disclosure obligations. In the case of investment funds, the data provided by the fund company is used. If no data is available, Commerzbank uses the data determined by a reputable rating agency, which may also be based on estimates by the provider. In the case of structured products, e.g. certificates, the categorisation is based on the information provided by the respective issuer.

Exclusion criteria for asset management and investment advisory services

Sustainability risks are considered in our asset management portfolios. We apply various exclusion criteria for companies and countries with particularly high sustainability risks. For a full list of exclusion criteria and more information on our sustainable asset management offerings, please visit our [website](#).

We also identify and take into account sustainability risks in our securities advisory services and consider them alongside other economic risks and opportunities in the valuation of equities, bonds and investment funds. In line with Commerzbank’s sustainability strategy, we use exclusion criteria for equities and bonds for our advisory universe, which can be found on our [website](#).



Sustainable investment products

Asset management at Commerzbank

In addition to conventionally managed mandates, our asset management also includes sustainably managed mandates. Here, sustainability criteria are taken into account in the management of the portfolios.

- One of our sustainable lines with a dedicated ESG strategy and particularly high standards is **Asset Management Sustainability**. Through its investments, Asset Management Sustainability maintains minimum exposure to sustainable economic activities in accordance with the EU Taxonomy Regulation and sustainable investments in economic activities in accordance with the EU Disclosure Regulation. Particular attention is paid to reducing carbon intensity. In addition, negative sustainability impacts are avoided through defined exclusion criteria and minimum requirements for ESG ratings. Asset Management Sustainability is geared towards clients with sustainability preferences in accordance with MiFID II Art. 7a-c.
- Commerzbank **endowment funds** are fund products in accordance with Art. 8 of the EU Disclosure Regulation. They aim to achieve long-term capital growth, taking into account social, environmental and corporate governance investment criteria. By taking into consideration the ESG rating and applying exclusion criteria, endowment funds seek to reduce negative environmental, social and corporate governance impacts.

Commerzbank securities advisory

As part of Commerzbank's securities advisory services, products can meet one or more of the three sustainability standards under MiFID II (see ↘ [page 54](#)) and thus criteria from the areas of environment, social and good corporate governance.

Funds of Commerz Real

The following asset management profiles are managed according to sustainable strategies and can be categorised according to sustainability preferences (see ↘ [page 54](#)):

- **klimaVest ELTIF** is a fund managed by Commerz Real Fund Management S.à r.l. As an ELTIF (European Long-Term Investment Fund) the fund will, for the first time, enable private investors to make a broadly diversified investment in real assets related to sustainable infrastructure such as photovoltaics and wind power (onshore and offshore). The investment objective of the fund is to make a positive and measurable¹ contribution to achieving the environmental objectives of the EU Taxonomy Regulation, in particular climate change mitigation or adaptation. In pursuing its investment objective, the fund seeks to contribute to the long-term mitigation of global warming in line with the objectives of the 2015 Paris Agreement. Further information on the sustainable investment objective can be found in the pre-contractual information of the ↗ [klimaVest ELTIF](#).

- **hausInvest** is a distributing open-ended real-estate fund of Commerz Real Investmentgesellschaft mbH for private investors. The fund pursues a sustainability strategy whereby the properties held for the account of the fund promote the environmental objective of reducing CO₂e emissions as defined in Article 8 of the EU Disclosure Regulation.

Aquila Capital Investment Company (ACI)

Aquila Capital Investmentgesellschaft (ACI) is an asset management company specialising in sustainable material assets investments in areas such as renewable energy and infrastructure projects. ACI's asset classes include clean energy projects such as wind, photovoltaics (PV), hydropower, battery storage systems, sustainable infrastructure (green logistics facilities and data centres) and specialised asset classes such as carbon forestry and energy efficiency. The funds' assets are primarily diversified across Europe and are geared towards institutional investors. With its investments, ACI plays a key role in supporting the energy transition and the sustainable transformation of the economy in Germany and Europe.

¹ Statements about the "avoidance" or "measurability" of carbon emissions or similar statements about carbon or CO₂e (carbon equivalent, which includes not only the greenhouse gas carbon dioxide [CO₂] but also other greenhouse gases such as methane [CH₄], nitrous oxide [N₂O] or hydrofluorocarbons [HFCs]; for better readability, however, the term carbon is used here) must always be read and understood in conjunction with the methodology explained on [klimavest.de](#). The measurable contribution is that ↗ [klimaVest](#) promotes the generation of electricity from renewable energy sources, thereby avoiding carbon emissions that would otherwise have been caused by the generation of electricity from fossil fuels. The carbon avoidance is calculated based on the country-specific avoidance factors of the Technical Working Group of the International Financial Institutions (IFI), based on the Combined Margin Approach of the United Nations Framework Convention on Climate Change (UNFCCC), taking into account the sector-specific upstream carbon emission factors of the German Federal Environment Agency (Umweltbundesamt). The avoidance factors are expected to decrease in the future as the share of renewable energy in the electricity mix increases. Statements on achieved or planned carbon avoidance are not a reliable indicator of actual future carbon avoidance. Targets can be either exceeded or missed.



Sustainability in pension provision

Commerzbank AG brokers pension products exclusively for Allianz Lebensversicherungs-AG, which provides information on its [website](#) about its strategies for taking sustainability risks into account in its investment decisions. In accordance with its sustainable investment strategy, Allianz Lebensversicherungs-AG’s security assets and KomfortDynamik special fund take into account environmental and social factors. Commerzbank AG recognises this sustainability strategy and thus the classification of the pension products as sustainable.

Sustainability in trade finance

Commerzbank traditionally handles a significant proportion of the foreign trade business of its corporate clients. The trade finance products offered, such as letters of credit and guarantees, secure exports and imports. In early 2005, the [International Chamber of Commerce \(ICC\)](#) published the first “Principles for Sustainable Trade Finance” (PSTF), in which Commerzbank AG and five other globally active banks participated. The ICC essentially follows the principles for sustainable loans of the Loan Market Association and the EU Taxonomy Regulation and has also published a list of green activities. Commerzbank will expand its sustainable trade finance business with its customers on the basis of these principles.

Sustainability in own investments

Sustainability aspects play an increasingly important role not only in client business but also in the bank’s own investments. Commerzbank’s exclusion criteria, according to which no business relationships may be entered into with companies that manufacture prohibited and banned weapons, are also applied to its own investment activities. In addition, there are minimum requirements and exclusion criteria for other investments, which form the basis of our requirements in direct customer business. We only invest in Collateralised Loan Obligations (CLOs) if the CLO managers invest in accordance with the standards of the UN Principles for Responsible Investment (PRI). As part of its liquidity management, Commerzbank is also increasingly investing in sustainable bonds and managing its own ESG portfolio, which is being continuously expanded. Green, social, sustainability-linked and sustainability bonds automatically qualify as sustainable investments if they comply with the [International Capital Market Association’s \(ICMA\) Green, Social or Sustainability-linked Bond Principles](#) or the ICMA Sustainability Bond Guidelines.

Sustainability in own bond issuances

As a regular issuer in the capital market, we also integrate our sustainability goals into our funding activities. Since 2018, Commerzbank has been issuing green bonds to finance and refinance loans for renewable energy. In August 2024, we published a new [Green Funding Framework](#) on which our green bond issues are based, and that has been extended by the (re)financing of sustainable residential mortgage loans.

Sustainability in deposits

The Sparkonto Plus, a savings account with sustainable use of savings enables our private customers to save responsibly. The savings in the Sparkonto Plus are used exclusively to finance energy-efficient residential buildings. These make a substantial contribution to the environmental objective of climate change mitigation, in line with the EU Taxonomy Regulation. This means that the total savings in a Sparkonto Plus account are matched by a correspondingly high loan volume to finance energy-efficient residential buildings.¹ On request, customers can also receive a SparCard, which is made from 85 percent recycled PVC. In addition, customers can request a savings card, which is also made of 85 percent recycled PVC.



Since 2024, Commerzbank has been offering its customers the **opportunity to save sustainably** with the **Sparkonto Plus**.

¹ The selection criteria for residential buildings are described in detail in the product conditions on our [website](#).



Bank transformation: Leading by example

Responsible environmental and energy management

Commerzbank is actively committed to sustainable business practices, including the responsible stewardship of nature, the environment and resources. Since 2009, we have had an environmental management system certified to the [international standard ISO 14001](#). In 2015, we also introduced an energy management system in accordance with [ISO 50001](#), to comply with the German Energy Services Act, and have continued this as an integrated environmental and energy management system (iUEMS). This is based on Commerzbank's Environmental and Energy Policy, which is anchored in our environmental guidelines.

Continuous improvement in our environmental and energy performance is monitored by third parties through annual certification. In addition to the head office in Frankfurt am Main, all of Commerzbank's locations in Germany and its currently

12 subsidiaries are included in the certified management systems. An overview of the locations can be found in the current certificates, which are available in the Environmental Management section of our [website](#). The iUEMS defines all responsibilities and reporting lines. Environmental and energy management covers all issues relating to electricity and heat supply, water consumption, material consumption and waste management, transport logistics and commuting, resulting greenhouse gas emissions and product ecology aspects.



“We lead by example and have long integrated ambitious environmental and social goals into our banking operations. In doing so, we secure the foundation of our credibility and contribute to a more sustainable society and economy.”



Michael Varona

Divisional Board Member,
Group Organisation & Security



→ Target E3 **Net-zero bank by 2040**

The global emission of greenhouse gases must decrease – this is the only way to mitigate global warming and achieve the significant goal of net zero carbon emissions. This also applies to Commerzbank’s banking operations. We committed to reducing carbon emissions in our own banking operations to net zero by 2040. By this, we mean our direct emissions from Scope 1, and the indirect emissions from Scope 2. This target applies to all locations of Commerzbank AG in Germany and abroad. On this path, we have already been able to achieve a significant reduction in emissions in Germany over the past few years. The climate transition plan and the measures associated with achieving our targets are an essential part of our sustainability strategy.

Greenhouse gas emissions from banking operations

Commerzbank calculates its greenhouse gas emissions (GHG) in accordance with the standards developed by the Association for Environmental Management and Sustainability in Financial Institutions (VfU). This is based on international environmental and climate reporting standards such as the Greenhouse Gas (GHG) Protocol, the Carbon Disclosure Project (CDP) and the Global Reporting Initiative (GRI). Emissions are calculated in carbon equivalents (CO₂e). To calculate the carbon footprint, the consumption for each category is first determined and then converted into carbon equivalents using defined conversion factors. Eventually, all carbon equivalents for each category are aggregated.

Avoiding emissions

We achieve reductions in operational emissions primarily through efficient and sustainable building management, as well as the gradual transition to renewable energy sources. We consistently rely on green electricity for our energy supply. For heat provision, we aim to gradually switch to renewable alternatives. In doing so, we actively contribute to climate protection and continuously improve our carbon footprint. Sustainable energy solutions are key considerations when selecting properties and modernizing heating systems.

Furthermore, we aim to contribute to sustainable development through targeted mobility measures. In doing so, we particularly promote the use of e-mobility and continuously expand our range of attractive and environmentally friendly mobility solutions. In addition, we support the use of alternative modes of transport to make the mobility of our employees more future-oriented and sustainable.

We aim to fully utilize the existing possibilities to avoid emissions and only offset unavoidable emissions through certificates. These certificates meet our requirements for climate protection projects and are subject to generally accepted quality standards.



We are committed to reducing **carbon emissions in banking operations to net zero by 2040.**



Sustainable procurement

Our sustainability performance also depends on our supply chain. Sustainability criteria therefore play an important role for us when purchasing goods and services. Commerzbank's Corporate Procurement department works to achieve the sustainability targets set for procurement projects, for example by selecting environmentally friendly products and environmentally conscious suppliers. Inquiring about sustainability aspects, such as existing ISO certifications and climate protection targets, is an integral part of Commerzbank's supplier management.

In order to fulfil our **due diligence obligations in the supply chain**, the mutual rights and obligations between Commerzbank as a customer and our business partners and suppliers are regulated in our sustainable procurement standards. The criteria and rules of conduct formulated in the standards make it easier for everyone involved in the process to take sustainability aspects into account by raising awareness of the associated risks and laying down binding rules. For our employees, our sustainable procurement standards combine (internal) purchasing-specific ethics guidelines with the ↗ [Code of Conduct](#), our framework for acting with integrity.

Our procurement standards clearly set out the environmental, social and ethical requirements for our suppliers and service providers. We expect suppliers and service providers doing business with us to meet additional environmental, human rights, social and legal integrity standards. Suppliers' environmental management may be reflected, for example, in an environmental product label or a certified environmental management system. Suppliers' human rights due diligence includes the prohibition of child and forced labour and the guarantee of freedom of association, humane treatment of and health protection for employees.



We require a commitment to human rights and social standards from our suppliers and providers.



Embracing our responsibility – for people

Putting people first: Our commitment to a better future

In our rapidly changing world, the social dimension of sustainability is becoming increasingly important. We seek to live up to our responsibilities through a respectful, collegial working environment and fair treatment of our employees and customers, as well as through our commitment to society at large. →





Social responsibility at a glance

We are proud of our motivated employees, who are the cornerstone of our company’s success. We see our commitment to society not only as an ethical obligation, but also as a way of giving something back – to our employees and to society as a whole. That is why we have integrated social aspects into our business strategy. We create excellent working conditions for our employees, and we give back to society in a variety of ways:

- **Living 365 days of diversity**
We employ people from 127 nations across the Group and are committed to creating a prejudice-free working environment that embraces all facets of diversity.
- **Supporting families and promoting health**
We facilitate the balancing of work and family life by offering part-time work and childcare. We also offer our employees a comprehensive sports and health programme.
- **Developing careers**
From trainees to professionals, we develop talent through career opportunities and a range of training modules.
- **Supporting society and the environment**
We want to give something back, for example by supporting and participating in environmental initiatives and social projects.

Our strategic targets in the area of social responsibility:



Target S1 40% women in leadership roles

We aim to increase the proportion of **women in management positions** to 40% by 2030.



Target S2 Employee satisfaction

Our goal is to maintain or improve **employee satisfaction on a lasting basis**.

We see our social commitment as a key element of our success and take responsibility for the well-being of our employees.



Empowering our employees: Promoting equality and diversity

We take a holistic approach to sustainability. Our customer business is our greatest lever for sustainable development. But we go further: we support our employees in a partnership-based working environment – because only by joining forces can we make a difference.

→ Target S1 Women in leadership roles

Commerzbank has a long tradition of promoting equal opportunities for men and women, and although women make up a small majority of Commerzbank's workforce, they are not yet equally represented at management level. We want to change this.

Women are equally qualified in all job-related areas and contribute their talents to Commerzbank. Gender-mixed teams – especially at management level – are not only fair but also drive performance. In the context of internationalisation and demographic change, they are also a must for the success of the company.



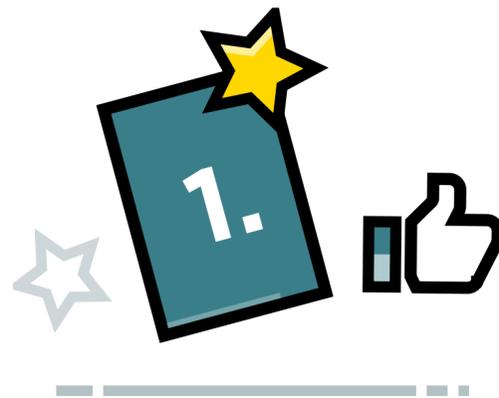
Gender diversity boosts performance and secures a sustainable future for Commerzbank.



We therefore strive for gender diversity in all functions and at all levels of the bank: in the spirit of equal opportunities, all career paths should be open to all employees.

Increasing the proportion of women in management positions is therefore a particular strategic concern. The Board of Managing Directors has set a target of **40 percent female representation across the Group by the end of 2030** in management levels 1 to 4 and in project management level 5.

Commerzbank's progress in strengthening gender diversity at the leadership level is further evidenced by the [AllBright Foundation's 2025 report](#): we received the green envelope, placing us among only 17 of the 160 companies listed in the DAX, MDAX and SDAX that already achieve a share of 40 percent women on their management boards.



We have therefore taken steps in recent years to increase the proportion of women in management positions. For example, we have further improved our work-life balance policies (see [page 74](#)) to give parents in particular better career opportunities. These include company childcare facilities, the KEEP IN TOUCH programme, which enables employees to stay in touch with the bank during parental leave, part-time models such as the Joint Leadership Model, in which two executives share a management position, and structured re-entry opportunities to avoid career setbacks.

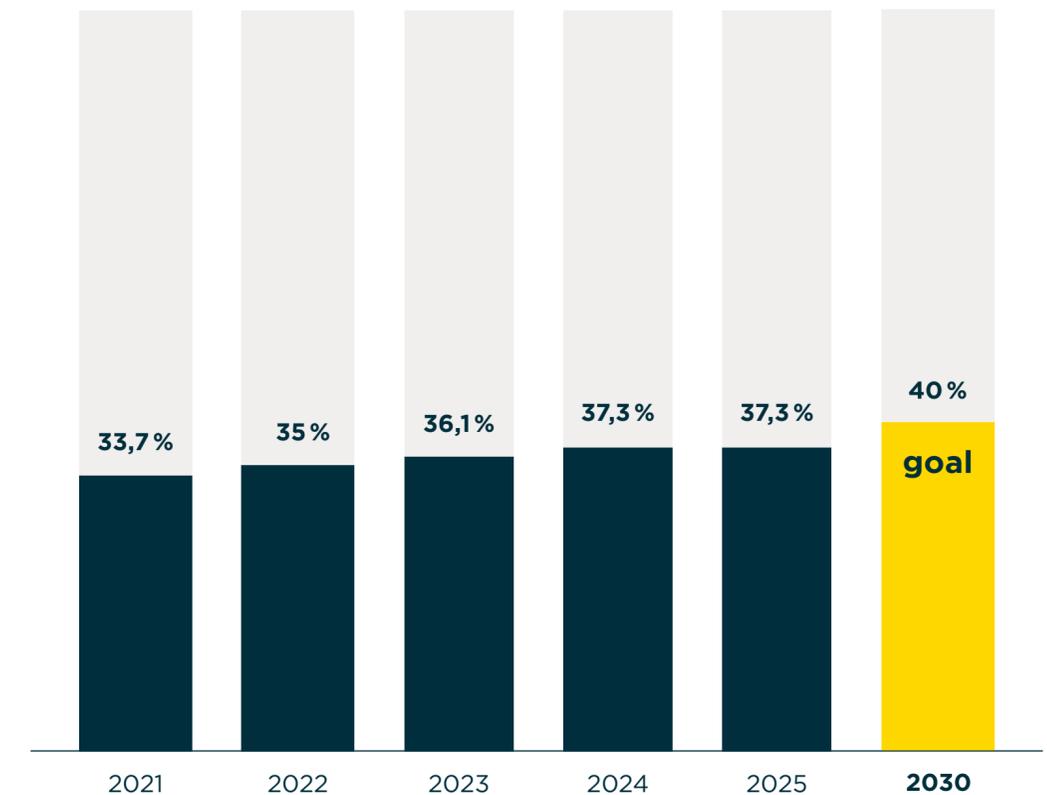
All areas of Commerzbank have an explicit mandate to actively approach suitable female employees when filling vacancies.

Commerzbank ranked as **European Diversity Leader 2026** by the [Financial Times and Statista](#):

- **Rank 1 in the Banking & Financial Services sector** in Europe
- **Rank 12 in Europe** overall

Proportion of women in management positions

Between 2021 and 2025, Commerzbank already increased the proportion of women in management positions from 33,7 to 37,3 percent. The target for 2030 is an increase to 40 percent.



A detailed overview of the proportion of female employees by management level can be found in our [GRI report](#).



Three questions for Sabine Mlnarsky



Sabine Mlnarsky

Member of the Board of Managing Director,
Chief Human Resources Officer (CHRO)

has been responsible for Human Resources and Group Organisation & Security at Commerzbank since January 2023. A lawyer by training, she has more than 20 years' experience in HR. Previously, she was Vice President of HR Management at the Lufthansa subsidiary Austrian Airlines AG and, since 2016, Head of Human Resources at Austrian Erste Group Bank AG.

Sabine Mlnarsky is committed to equal participation of women and men in leadership positions. We talked to her about Commerzbank's goal in this area and asked her about different leadership styles and tips for management tasks.

Speaking of quotas for women in leadership positions: where does Commerzbank stand?

The important thing is that we've got a common goal. For us, this means we're aiming to have 40 percent of our leadership positions be held by women by 2030 – and I think we're on the right track. We practise gender equality in our recruiting and hiring, from junior staff right up to the management level. We support this with measures that make it easier for our employees to reconcile work and private life, and to take on leadership positions. These include flexible working hours, childcare and guaranteed reinstatement after parental leave, as well as part-time management and shared leadership. In addition, we always interview suitable male and female candidates before making a decision on a new management position. It's important to us that opportunities are shared fairly.

What advice would you give to women who want to become executives? And would you give the same advice to men?

I would advise women to take on a leadership role if they enjoy making decisions, organising groups and promoting and implementing common ideas. You can have a lot of good ideas, but they're no good if they're not implemented. I think this applies equally to female and male colleagues.

Do you notice differences in the leadership styles of women and men? If so, do these differences make a company successful?

Of course, there are differences in management style – women and men are different after all. Which is a good thing and a real benefit. At the beginning of my management career, I attended seminars where I was taught how to argue, express myself and even dress according to male standards. Fortunately, it didn't really stick. It was only with some distance and more management experience that I realised how presumptuous it is to expect us women to behave like men. A lot has changed in this respect: we now have the enormous advantage of female role models in leadership positions, and we can also bring different leadership styles to the table. Despite all the discussion about gender-specific leadership styles, the most important thing is to be human and an empathetic leader. I'm convinced that organisations benefit from this.



Our corporate culture

Every day, around 42,000 colleagues around the world contribute their knowledge and experience to our work processes. They form the foundation of Commerzbank. That is why it is so important for us to practise collegiality and a basic understanding of fairness, respectful behaviour and diversity. These values are firmly anchored in our [Code of Conduct](#).

Our corporate values

Our corporate values form the basis of our corporate culture: they shape the way we interact with each other and with internal and external customers, business partners and society. We have therefore defined the following three core values as the framework for how we work together: integrity, performance and responsibility.



Of utmost importance: integrity, performance and responsibility



Integrity is the backbone of our business model

We contribute to the sustainable growth of our bank by acting with integrity and being reliable, attentive and trustworthy.

Performance is the engine that drives our success

We act boldly and decisively to achieve our ambitious goals and those of the bank. We are driven by the desire to perform and the will to succeed. We believe in what we do for our clients, inspiring ourselves and others.

Responsibility is our mission

We see the big picture and act with foresight. We take courageous and well-considered decisions and stand by them. We seek to create benefits for Commerzbank and its customers. We take responsibility for our role and work together to achieve our team's goals.



The Commerzbank Culture Award

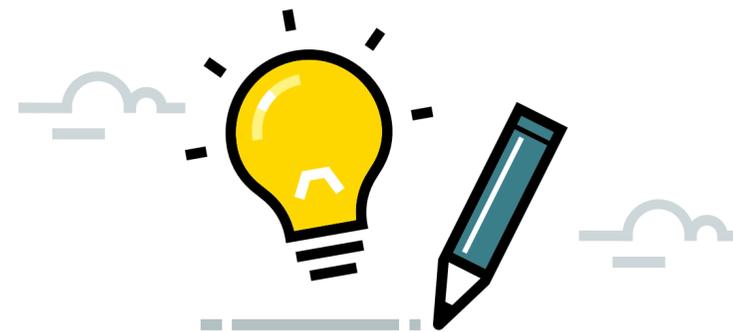
The Commerzbank Culture Award goes to colleagues who lead the way and inspire us all. It is awarded to those who give their all to our strategic goals and, in the area of diversity and inclusion. We are looking for our everyday heroes and heroines, employees and teams who have excelled in one of these five categories and achieved something outstanding, innovative and truly remarkable.

In this way, Commerzbank sends out a signal of recognition and appreciation. The award is designed to be participatory: all employees can nominate their colleagues. On this basis, a jury makes a pre-selection before all employees are invited to vote for their favourites online. In the first quarter of each year, an onsite event is held where the winners receive their awards.

Our Code of Conduct

Our Code of Conduct summarises our self-image of ethically impeccable behaviour while at the same time serving as an invitation to everyone at Commerzbank to abide by the rules.

Integrity as a corporate value plays a particularly important role at Commerzbank and is enshrined in our Code of Conduct. The Code of Conduct also provides guidance to our service providers, who are required to act with integrity in their dealings with us. With our Code of Conduct, we also make it clear to our customers and investors that we are aware of our responsibility and that we actively shape a work environment of integrity.



Our purpose statement

In 2021, our colleagues formulated our purpose statement in a collaborative process. The statement describes the overarching purpose and raison d'être of Commerzbank and is intended to encourage identification with the Group and motivation among employees. It forms the overarching framework for the bank's transformation: "Creating perspectives for discerning people and companies."

“Creating perspectives for discerning people and companies.”

Commerzbank's purpose statement



→ Target S2 **Employee satisfaction**

Our people are our “most important asset”. Maintaining and continuously improving the satisfaction of our employees is a top priority for us. That is why we support our employees in developing their full potential in their work.

At the same time, of course, the success of the company is also significantly influenced by the satisfaction of our employees: it has been shown that satisfied employees work more productively, are more committed to providing good advice to customers, stay with the company longer and strengthen Commerzbank’s image through their positive identification – and thus also our attractiveness as an employer.

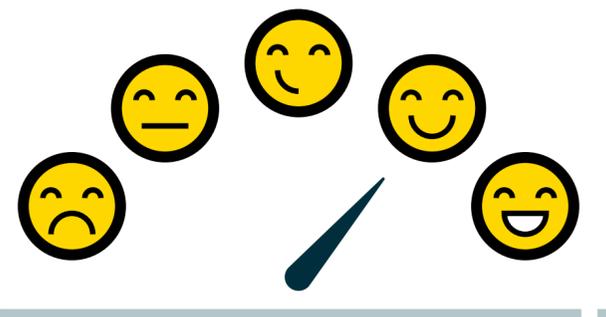
In addition, starting in 2024, as part of our “Strategy 2027”, we have been increasingly focussing on employee satisfaction as well as financial indicators and customer satisfaction.

Our goal is to continuously improve employee satisfaction. Since 2024, we have regularly collected data for the Employee Engagement Index.

Employee Engagement Index

This index is an independent, externally developed tool for measuring employee satisfaction. It allows comparison over time as well as external comparison with German companies via the RACER Benchmark Group. An online questionnaire is sent to all Commerzbank AG employees in Germany and abroad, asking them to rate four core statements on the topics of willingness to recommend the company, enjoyment, pride and motivation.

Our goal was to improve the Employee Engagement Index by four percent by 2024. Not only have we met this target, but we have significantly exceeded it. In 2025, we further improved this key metric. This shows that we are listening to our employees and taking the right actions. The results of the index are also included in the annual targets set by the Board of Managing Directors down to the management level 2.



“As Head of HR, the issues of attractiveness as an employer and employee satisfaction are clear priorities for me. That’s why we strive to create an environment with the best possible working and development opportunities.”



Sabine Mlnarsky
Member of the Board of Managing Directors,
Chief Human Resources Officer (CHRO)



Diversity

Commerzbank has been a diversity pioneer for many years. Diversity is more than just a buzzword for us – it is an integral part of our corporate and sustainability strategy and our shared social responsibility.

A corporate culture that includes everyone and in which everyone can be who they truly are – across the various facets of diversity – that is our commitment to diversity. It is clear how we see ourselves: we live 365 days of diversity!

Diversity strategy

The aim of our diversity strategy is to break down unconscious biases, reduce fear of contact and anchor the self-understanding of a diverse society even more firmly in the bank's culture. An unprejudiced working environment characterised by mutual respect and acceptance is a basic prerequisite for a performance-enhancing climate within the Group. This benefits not only our employees, but also our customers, business partners and shareholders.

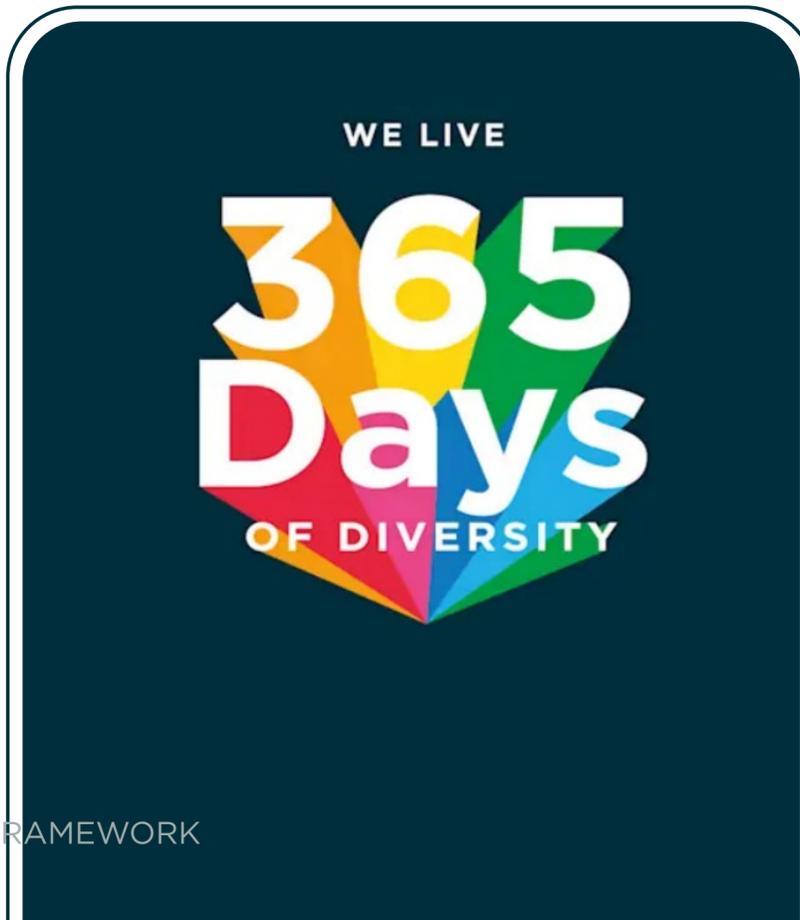
We tolerate no discrimination at Commerzbank: any form of discrimination against people based on their gender, nationality, ethnic origin, religion or ideology, disability, age, sexual orientation or gender identity is an offence against human dignity and violates personal rights. We sanction intolerance and violations of our clearly formulated ban on discrimination.

“At Commerzbank, everyone is welcome just as they are. Our diversity strategy is based on trust, appreciation and inclusion. So that everyone has unlimited access to their full potential.”



Matthias Füssel

Divisional Board Member Human Resources (HR)





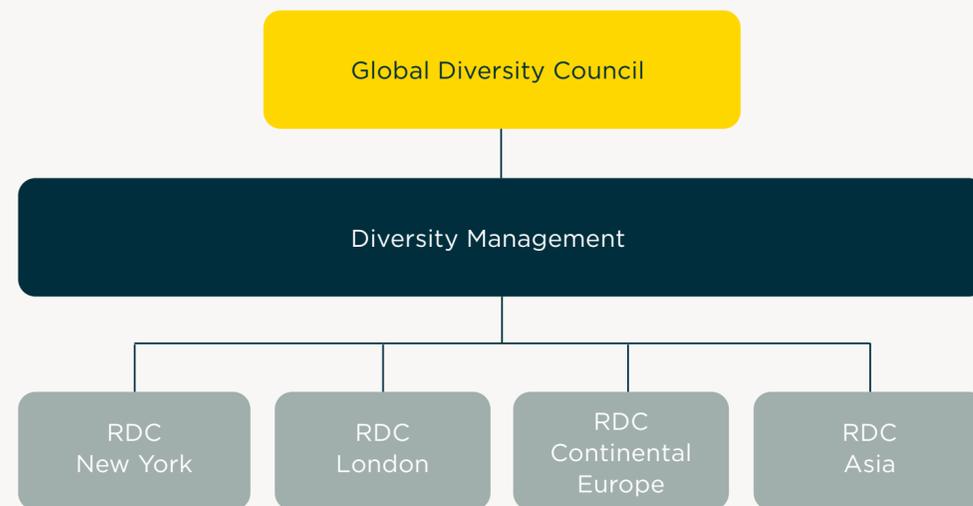
Diversity Management

For more than three decades, our Diversity Management has been committed to creating an open, fair and respectful environment. Diversity and inclusion are embedded throughout the Group by means of a leadership structure with representatives from all areas of the bank. The Global Diversity Council, chaired by the Chief Human Resources Officer, is the central body for strategic direction. The involvement of all business segments and Group divisions, and the support of the Regional Diversity Councils at the various international locations, enable country-specific differences and needs to be taken into account.



The Group employs people from 127 nations around the world. Their diverse backgrounds enliven and enrich the way we work together. Different perspectives and experiences generate new ideas.

Structure of the Global Diversity Council



RDC = Regional Diversity Council

Employee networks and initiatives

Commerzbank's Diversity Management includes seven employee networks. These make an important contribution to a vibrant corporate culture, thereby supporting our diversity management objectives. They also provide opportunities for networking and development at all levels:

- **Courage:** network for women
- **ARCO:** Pride network
- **Cross Culture:** intercultural network
- **Care:** network for employees with family members in need of care
- **Ichthys:** Christian network
- **Ideal:** network for employees with disabilities
- **Fokus Väter:** network for fathers

In addition to these employee networks, there are various divisional initiatives at the bank, all of which aim to advance diversity in their own division.

Forum Diversity

Since 2005, Forum Diversity has offered both onsite and online awareness-raising formats on the entire range of diversity topics, including intercultural skills development, education on queer issues, racism and discrimination, support for parents on parenting issues, caregiving skills training and much more. Some 50 events have been held throughout Germany, involving Board members, executives and role models.



Inclusion of people with disabilities

Inclusion breaks down mental barriers and creates the organisational conditions for successful collaboration between people with and without disabilities. Since 2016, Commerzbank has defined the inclusion of people with disabilities as a new Diversity Management action field. Together with employees from Communications, Purchasing, as well as from a variety of committees, we are developing communication concepts, optimising processes and bundling these activities under one roof.

In 2018, with our [Action Plan Inclusion](#), we became the first bank in Germany to make a public commitment based on the UN Convention on the Rights of Persons with Disabilities. In doing so,

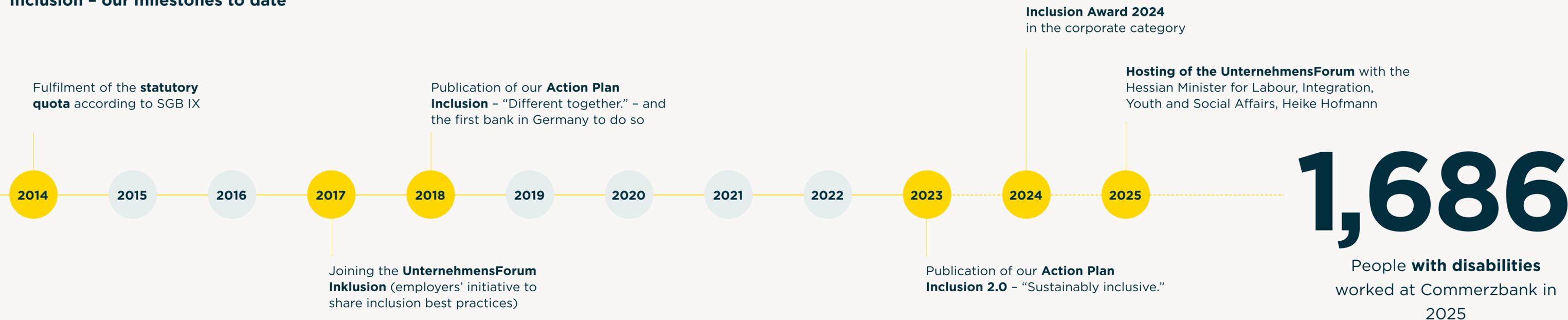
we committed ourselves to measures aimed at improving the situation of people with disabilities at Commerzbank. This includes both employees and customers of the bank: barrier-free access to the workplace is just as much a part of this as the accessibility of our digital offerings on the sales side.

With the extended Action Plan 2023, we have expanded the topics of health prevention, activities on the customer side, inclusion to secure skilled labour and, beyond the legal requirements, the implementation of the Accessibility Improvement Act – for sustainable inclusive collaboration.



In 2018, Commerzbank became **the first German bank** to publicly commit to the inclusion of people with disabilities.

Inclusion - our milestones to date





Around 150 colleagues marched in Berlin under the motto "Love is our permanent mission!"

Sexual orientation and gender identity

We respect and value all of our employees. Regardless of whether they are lesbian, gay, bisexual, transgender, intersex, queer (LGBT*IQ for short) or straight - we welcome everyone. We are proud of our longstanding commitment to queer diversity. For over 20 years, we have promoted an open approach to sexual orientation and gender identity.

We offer our customers gender-neutral options on our forms. On request, people in transition can receive their debit and credit cards in their new name. Commerzbank also takes a clear stance in public: during Pride season, for example, the Commerzbank Tower is lit up in the colours of the rainbow as a visible sign, and we take part in Christopher Street Day in Berlin and other cities with our own Commerzbank float. In addition, we offer individual counselling on queer-related topics, initiatives such as the ARCO Ladies Lunches and the ARCO Executives Ally Programme, as well as anonymous coming-out workshops to promote an open corporate culture.

PROUT AT WORK Foundation

In 2013, Commerzbank joined forces with other companies to establish the [PROUT AT WORK Foundation](#), which is now the leading think tank and advisor for queer issues in the world of work. The Foundation is committed to promoting equal opportunities for people of all sexual orientations, gender identities and characteristics throughout Germany and beyond corporate boundaries.

LGBT*IQ - unsere bisherigen Meilensteine

2001

Equal treatment of registered civil partnerships

2002

Launch of the ARCO employee network

2010

[Max Spohr Award](#) and first "We are who we are" workshop

2013

Founding member of the [PROUT AT WORK Foundation](#)

2024

Our ARCO employee network awarded the [Queer Network Award 2024](#) in the "Sustainability" category

2025

"Top-Rated Employer" (ranked no. 1 in Frankfurt) at the [Rainbow Career Day](#)



Human resources management

Commerzbank offers its employees a working environment in which they can fulfil their potential. Our human resources policy supports each individual and ensures that we all pull together – even in a challenging economic environment.

Personnel development

From trainees to senior managers, we need talent who can and will use their expertise to make a difference to the bank in an age of digitalisation and constant change. To be an attractive employer for our people, we support their personal development and skills.

Numerous voluntary and mandatory qualification modules, such as seminars, workshops or e-learning courses, supplement individual training. With Lernzeit+, Commerzbank offers all employees a voluntary working time quota for this purpose. This digital programme can be accessed via the ↗ [cliX learning platform](#).

To enable all employees to understand the topic of sustainability, Commerzbank offers a Basic Sustainability Qualification, an interactive e-learning programme on the various ESG dimensions. In addition, an advanced training programme specifically developed for employees with direct customer contact is available. In this way, we are strengthening our external communication skills and embedding our understanding of sustainability in the workforce.

Young talent

In the context of the challenges that come with the increasing shortage of skilled workers, Commerzbank is expressly focusing on junior staff as an investment in the future. As part of a campaign to promote young talent, we have made a commitment to take on junior employees. This gives trainees and dual-study course students the assurance that they will be offered a permanent position if they are personally and professionally suitable. To this end, we have launched a campaign to recruit new employees from within the bank. Given the changes in the labour market, we have set ourselves the goal of putting candidates at the centre of our efforts. Further initiatives are anchored in our HR strategy: a comprehensive range of training programmes, innovative qualification measures and options for various development pathways are designed to make Commerzbank attractive to young talent.

How we develop talent:



Voluntary working time quota for further training, accessible via our digital ↗ [cliX learning platform](#).

Promise of permanent employment for young people: apprentices and dual-study course students are guaranteed a permanent job if they are suitable.



Commerzbank offers a **basic Sustainability Qualification** for all employees and advanced sustainability training for client-facing employees to strengthen their ESG skills.



Good health

Good health is the engine that drives a company and its people. That is why health management – also in collaboration with external healthcare providers – is an important and exciting part of our HR work.

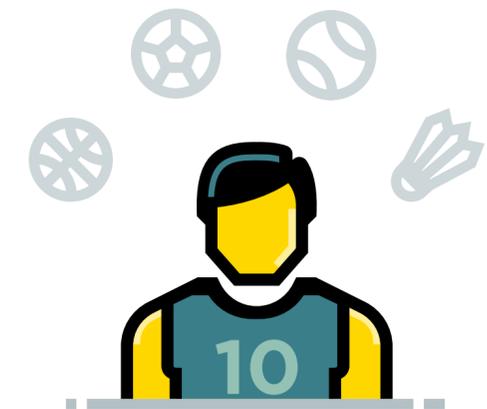
We provide our employees with comprehensive information and advice on health-related issues and support various health programmes. In doing so, we go far beyond the legal requirements. In addition to onsite occupational health events and our ↗ [Employee Assistance Programme \(EAP\)](#), we offer our employees a modern digital product portfolio.

Prevention in the form of health education plays an important role. Our Health Dialogue, which has been taking place regularly since 2023, is an exchange platform for those involved in occupational health management. Our employer-funded check-ups support executives in efforts to maintain good health.

Across Germany, our employees have access to around **140 company sports groups** offering more than 40 different sports activities, including dancing, football, swimming, darts, bowling, fitness training and volleyball. Around 6,000 employees take part in our regular sports programmes, including tournaments.

We consider the **mental health** of our employees to be at least as important as their physical health. Commerzbank and the central works council address this topic openly. With a preventive approach, we want to offer support to those affected as early on as possible. The Horizont network, which was founded in 2011, provides a platform for exchange and trained contact persons to help raise awareness of burnout syndrome among employees and to break down prejudices and inhibitions.

Increasing digitalisation and the associated opportunities for mobile working are changing the world of work. We want to empower our employees and executives to manage this change in a healthy kind of way. To this end, we offer professional counselling and information services in onsite formats, webinars and video consultations with company physicians, as well as support through our EAP.



Around **140 company sports groups** offering more than **40 different sports** activities are available to employees.



Career and family

Commerzbank attaches great importance to a good work-life balance. We want to remain an attractive company and ensure that our employees feel comfortable here. We are continuously expanding our activities in this area and offer our employees targeted programmes for every life situation.

To help employees balance family life and their career, we offer a range of flexible working options.

Part-time work

Family, training and education, hobbies: at Commerzbank, employees find individual solutions for their working time requirements. For example, they can optimise their work-life balance by reducing their working hours or through job sharing.

Flexible working hours

Thanks to flexitime, our employees enjoy a high degree of flexibility in organising their working hours, thereby allowing them to achieve a good work-life balance.

Working from abroad

Flexibility is not limited to Germany: many jobs also allow employees to work up to 20 working days each year from over 20 EU countries, if this can be agreed on with their line manager.

Hybrid working

Mobile working saves travel time and provides greater flexibility. Many jobs at Commerzbank allow employees to work from outside the office regardless of location. There is no fixed quota. Teams decide for themselves how they want to work together. If it is operationally feasible, employees can work remotely for up to 80 percent of their working time.



At least one team day per week to encourage personal interaction and identification with the team.

Support services at a glance

- **Eldercare advice** on all care issues, e.g. on financing care through the pme family service
- **Netzwerk Pflege** for combining care and work
- **Company childcare, emergency and holiday childcare** as well as **virtual childcare** and **online events** for parents through the pme family service
- **KEEP-IN-TOUCH programme** so employees can keep in touch during parental leave through part-time work
- **Return guarantee** after parental leave, guaranteeing a return to the same position
- **Fokus Väter network** for reconciling fatherhood and work





Community involvement: Our shared mission

Our commitment to society and the environment

As part of its social engagement, Commerzbank is networked with its social environment in a variety of ways. It is a partner in numerous charitable initiatives and participates in fundraising campaigns. In recent years, for example, we have organised a major Christmas campaign for the ↗ [Tafel charity](#) (food banks) in Germany and for the ↗ [brotZeit e.V.](#) association: donations from the bank, employees and customers totalled around €500,000 every time.

Environmental initiatives and community engagement

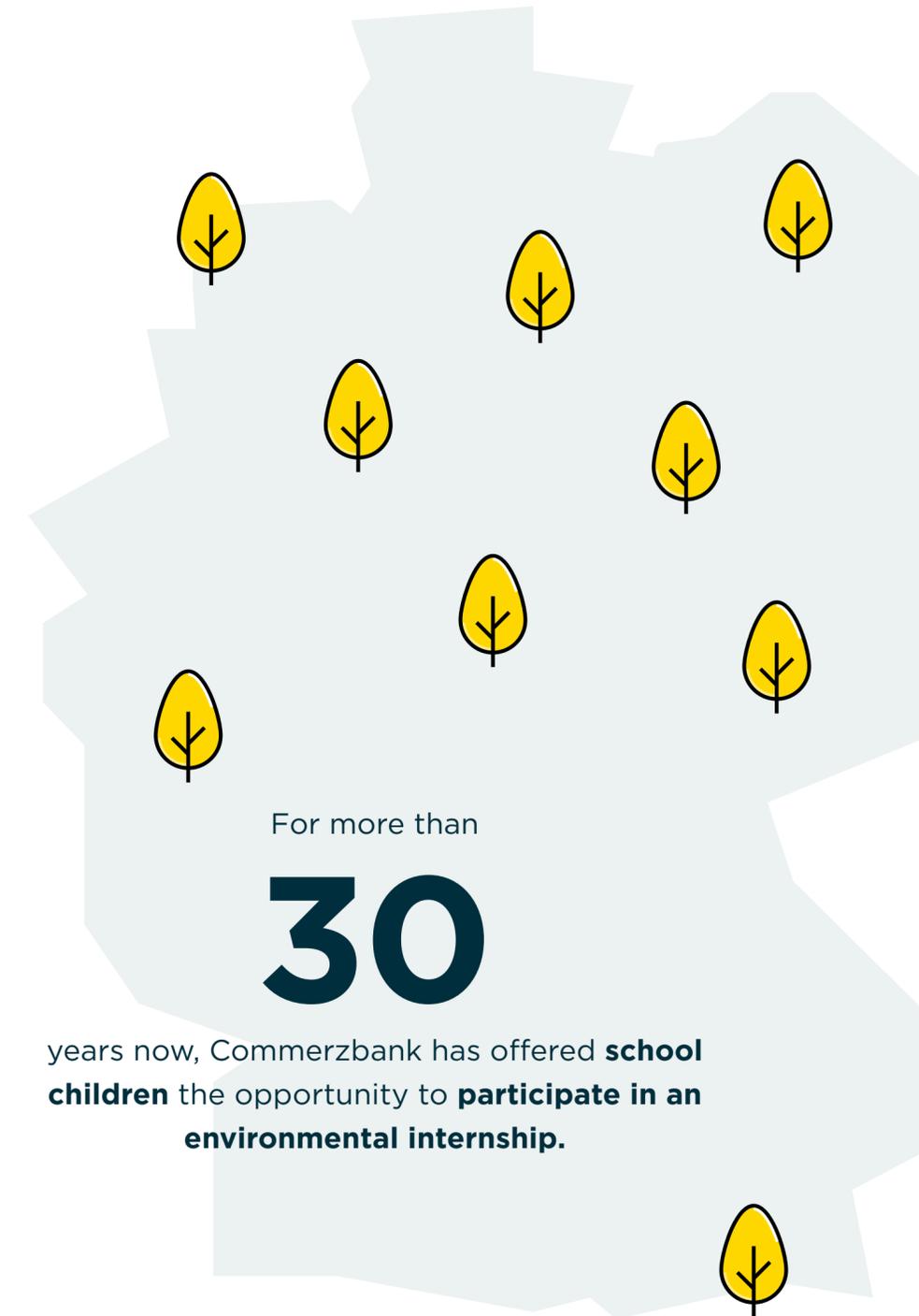
Climate risks are among the greatest challenges of our time. Commerzbank is committed to its social responsibility and is convinced that a lively exchange is essential for companies to fulfil their responsibility in this area. We are therefore involved in numerous initiatives and memberships (see ↘ [page 9](#)). Commerzbank actively supports the following environmental projects, among others:

Bergwaldprojekt e. V. (reforestation initiative)

Commerzbank is involved in a number of climate protection projects. The collaboration between Commerzbank and Bergwaldprojekt e. V. began in October 2018, with Commerzbank reforesting one square metre of forest in Germany for every new electronic mailbox in its online banking system. In addition, ecological forest conversion has been supported for every new asset management contract with a sustainable investment focus from 2020. In total, more than 1.1 million square metres of public woodland have already been developed or reforested in a near-natural way. Starting in 2024 with its “Creating life values” campaign, Commerzbank’s Asset Management division has also been involved in the rewetting of moors.

Commerzbank environmental internship

We are carrying out this project in collaboration with ↗ [Nationale Naturlandschaften e. V.](#), the umbrella organisation of German national parks, biosphere reserves and wilderness areas, as well as 14 national parks and eight biosphere reserves in Germany. The aim is to make children and young people aware of the importance of protecting nature and biodiversity. School children are actively involved in local environmental education. In 2007, the programme was recognised as an official UN World Decade of ↗ [Education for Sustainable Development](#) project, and subsequently as an official ↗ [UN Decade of Biodiversity 2015/2016](#) project on its 25th anniversary in 2015. In 2023, it won the ↗ [German Award for Sustainability Projects 2023](#).



For more than

30

years now, Commerzbank has offered **school children** the opportunity to **participate in an environmental internship**.

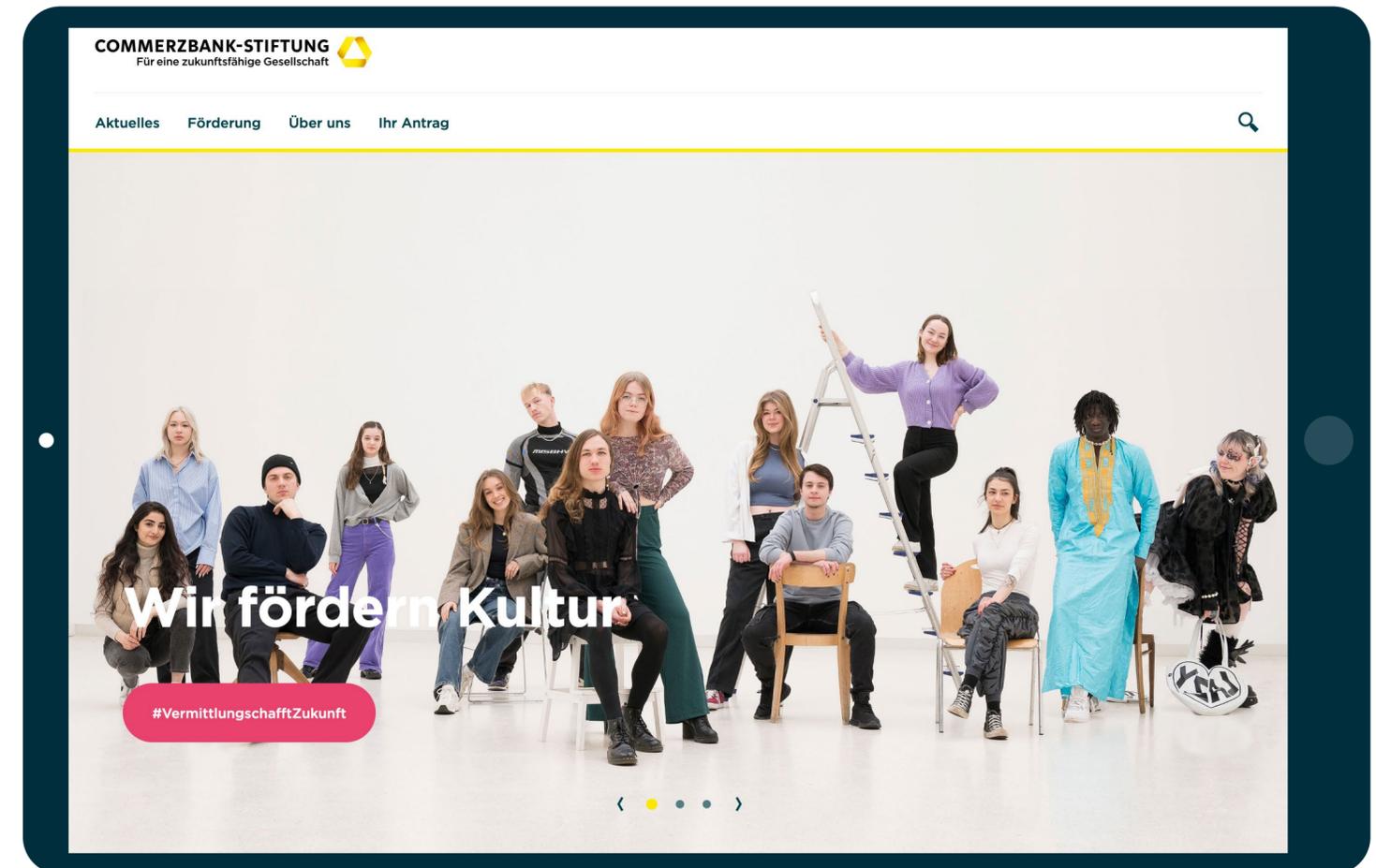


Commerzbank Foundation

We promote culture, social issues and science

As a corporate foundation, the [Commerzbank Foundation](#) stands for Commerzbank’s social responsibility and its commitment to a sustainable society under the motto: “Participation creates the future”. We are thus committed to sustainable engagement that goes beyond our actual business activities.

The focus of the foundation is on cultural education and the dissemination of cultural heritage, the social participation of disadvantaged people and the support of young scientists. Since it was established in 1970, the Foundation has become a permanent fixture in the German foundation landscape and has supported well over 1,000 projects in the cultural, social and academic fields with a total of some €40 million. Its network of partners includes museums, opera houses and theatres, non-profit social organisations, scientific institutions, and both national flagship projects and local initiatives.



More than

1,000

social, cultural and science projects have been supported by the Commerzbank Foundation with a total of around **€40 million**.



Cultural commitment

Culture brings people together, inspires debate and promotes mutual understanding. Cultural education also allows us to develop soft skills such as creativity, which help young people in their professional lives. Commerzbank wants to make an active contribution to greater social cohesion, too, by promoting cultural activities. At its headquarters in Frankfurt, the bank has therefore entered into long-term partnerships with three renowned cultural institutions of national importance. Over the next 10 years, Commerzbank will support the Alte Oper (opera house), the Schauspiel Frankfurt (theatre) and the Oper Frankfurt (opera house) with a total of €1.5 million, i.e. €50,000 per year and per theatre. Each of the three theatres stands for something special: Oper Frankfurt has been voted Opera House of the Year several times. Schauspiel Frankfurt is the largest theatre in the Rhine-Main region. With around half a million visitors per year, the Alte Oper is one of Frankfurt's biggest crowd-pullers.

To kick off the collaboration, Commerzbank is supporting the Fratopia Festival at the Alte Oper Frankfurt, which offers the city's population some 250 short concerts from various musical genres over the span of a few days, free of charge and without registration. At the Frankfurt Opera, Commerzbank is now a partner of the "Opera for Children" series, a programme designed to interest even the youngest children in classical music, thus laying the foundations for social participation.

The production of *The Great Gatsby* at Schauspiel Frankfurt, based on the novel by F. Scott Fitzgerald, marks the beginning of the collaboration. The new production epitomises the high quality of Frankfurt's cultural offerings.

With its new cultural commitment, Commerzbank is also expressing its solidarity with its headquarters in Frankfurt am Main. After all, Frankfurt stands not only for finance, but also for culture in all its breadth and diversity.



Over the next 10 years, Commerzbank will promote cultural institutions in Frankfurt, where it is headquartered, with **€1.5 million**.



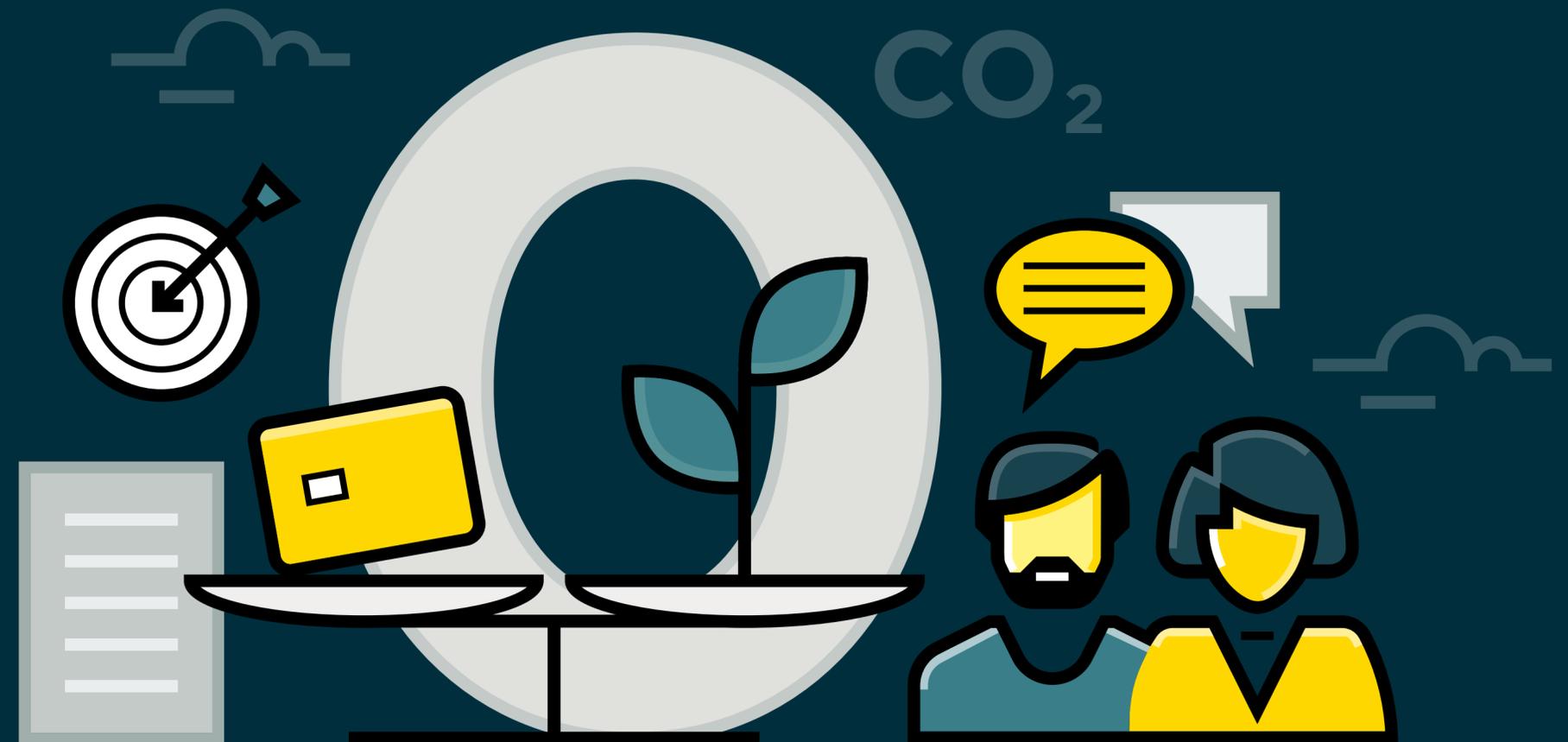
Production of *The Great Gatsby* based on the novel by F. Scott Fitzgerald at the Schauspiel Frankfurt.



Embracing our responsibility – for transparency

Good corporate governance: How we integrate sustainability holistically into our business activities

Commerzbank is committed to corporate responsibility. Strong values, binding codes of conduct and ambitious voluntary commitments form the framework for our business activities. They are reflected in our compliance and risk management as well as in our sustainability governance structure. →





Responsible governance at a glance

The transition to sustainable business practices affects us and our customers in equal measure. We want to play an active role in shaping this change and are committed to the principles of transparent corporate governance as laid out in the German Corporate Governance Code. For Commerzbank, sustainable corporate governance means that ethical behaviour has top priority. We have defined various fields of action in order to meet this requirement:

- **Keeping an eye on regulation**
We monitor regulatory requirements at all levels and coordinate their implementation with the relevant units of the bank.
- **Minimising risks**
We conduct annual materiality analyses for ESG risks and incorporate the risk types into Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP).
- **Involving stakeholders**
We engage in dialogue with our stakeholders, including employees, customers, suppliers, the capital markets, the media, NGOs, politicians and civil society.
- **Respecting human rights**
As stated in our Human Rights Position, we are committed to respecting human rights and actively contributing to their protection.

Our strategic targets in the area of corporate governance:



Target G1 **Zero tolerance for corruption**

Our **clear stance** against corruption is a key Group objective. We implement comprehensive measures to prevent and detect corruption.



Target G2 **Outstanding Excellent culture of integrity**

The **Culture of Integrity Score** measures our integrity as part of the Risk Culture Assessment. Our aim is to achieve top scores on a permanent basis.

For us, good corporate governance means transparency and ethical behaviour. Find out how we are practising responsible governance and actively shaping the transition to a sustainable way of doing business.



Transparency and integrity – at the heart of our policy

Integrity is at the heart of our business model. We act with care, trustworthiness and dependability. This is how we create perspectives for discerning people and businesses. Sustainability has been an integral part of our corporate strategy since 2020.

We are committed to complying with the laws, guidelines, market standards and internal bank policies that are binding for us. In addition, we have been committed to the globally recognised principles of the [UN Global Compact](#) since 2006.

Sustainability firmly anchored throughout the company

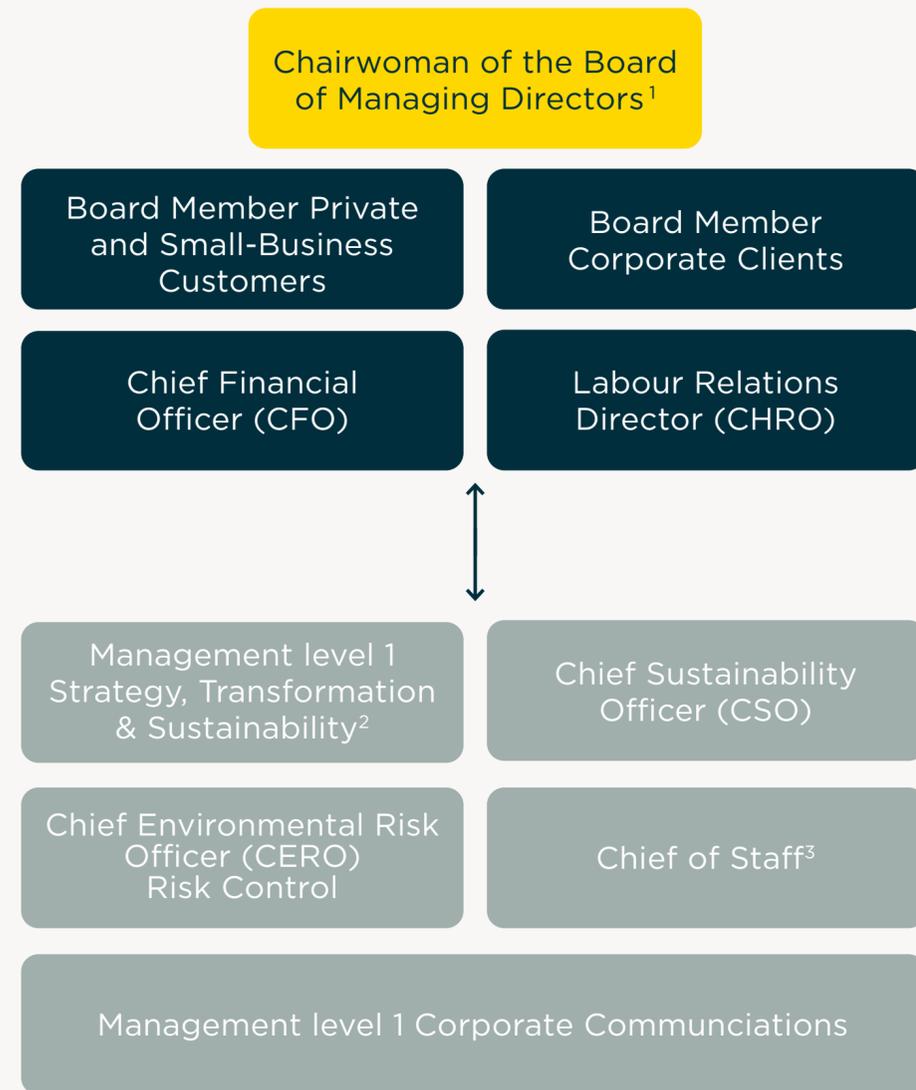
Commerzbank's sustainability strategy is reviewed and refined on an ongoing basis. We have established comprehensive governance structures to ensure implementation and monitoring throughout Commerzbank. This ensures that the topic is firmly anchored in all levels of the company.



Living responsibility: integrity and sustainability shape our daily actions as a team.



Structure of the Group Sustainability Board (GSB)



¹ Chair of the GSB
² Deputy Chairman of the GSB
³ no additional voting rights
 The GSB is organized and implemented by the Group Sustainability Management department.



The **Board of Managing Directors** develops the strategy for the Commerzbank Group, discusses it with the Supervisory Board and ensures its implementation. Sustainability issues are included in the annual strategy process for the bank’s overall strategy and are discussed at Board meetings as required. Each member of the Board of Managing Directors is responsible for implementing sustainability measures in his or her area. Central Sustainability Management reports to the Chairwoman of the Managing Board.

With the **Group Sustainability Board**, we are firmly anchoring the cross-cutting issue of sustainability in our bank’s organisation. The Board, which meets every eight weeks, is responsible for defining the bank’s strategic sustainability goals and overseeing management and implementation measures.

With **Group Sustainability Management** as the overarching sustainability unit within the Strategy division, Commerzbank is underlining the strategic importance of this issue.

The unit is responsible for the further development of the sustainability strategy and for comprehensive governance. At the same time, Group Sustainability Management manages the Group’s Sustainability 360° programme, thus coordinating Commerzbank’s sustainability activities across the board.

The overarching Group programme Sustainability 360° serves to implement our sustainability strategy. The customer divisions, Risk Management and numerous other relevant Group divisions are involved in this programme. It provides a framework for all sustainability activities and ensures a close link between cross-cutting issues, a coordinated approach and rigorous tracking.

The **Supervisory Board** also advises and monitors the Executive Board on sustainability issues. To take account of the increasing importance of sustainability for Commerzbank, the **Supervisory Board sets up the Sustainability, Social and Good Governance (ESG) Committee**, which meets four times per year. In particular, it examines whether the Board of Managing Directors is pursuing an economically viable and sustainable development of the company while observing the principles of good and responsible corporate governance. It also examines whether Management is fulfilling the company’s social responsibilities while protecting the environment’s natural resources. The ESG Committee also advises the Board of Managing Directors on ESG issues.

Since
2020

sustainability has been an integral part
 of our **corporate strategy**.



In 2022, to ensure this key dialogue with our stakeholders, we established an **external Sustainability Advisory Board** under the patronage of the Chairwoman of the Board of Managing Directors. It provides impetus for the further development of our sustainability strategy and is made up of representatives from business, science, society, politics and non-profit organisations such as non-governmental organisations, foundations and associations. They represent a wide range of topics, including recycling and biodiversity.

The **Risk Management function** has overall responsibility for climate and environmental risks. The Risk Management function is generally responsible for the systematic integration of climate and environmental risks into the existing risk framework, governance and processes. For example, preparations for the climate stress test under the ECB’s Single Supervisory Mechanism (SSM) are being made in a separate preparatory project coordinated by Group Risk Management and in close collaboration with the Sustainability 360° initiative.

In line with the “three lines of defence” concept, ESG risks are viewed as horizontal risk drivers that are primarily managed by the relevant risk type control units, such as Credit Risk Management. In addition, the central monitoring function of the second line of defence is located in Risk Controlling. The Chief Environmental Risk Officer (CERO) and the Environmental Risk Management unit reporting to him take a comprehensive view of the impact of environmental risks on the bank’s risk profile (see ↘ [page 90](#)).



Sustainability governance at Commerzbank





Keeping an eye on regulation

Commerzbank monitors the increasing regulatory requirements at the national, international and EU levels. Group Sustainability Management monitors developments concerning sustainability issues and coordinates implementation with the relevant units of the bank. The aim is to further integrate sustainability and ESG risks into the bank's strategy, management and risk management and to create a suitable framework for mobilising capital. Regulatory requirements currently focus on taking into account the impact of climate change on business activities and the standardised disclosure of the bank's contribution to the transformation.

Commerzbank engages in regular dialogue with national and international regulators and supervisory bodies to understand the interests of stakeholders and to present its own perspective. The results can be incorporated into the corporate strategy as a planning aid. For example, Commerzbank regularly discusses with non-governmental organisations (NGOs) the potential impact of its business activities on people and the environment.

ESG remuneration of the Board of Managing Directors

Commerzbank recognises the central importance of ESG objectives for sustainable development and integrates them into its decision-making processes. With the implementation of the enhanced remuneration system, we have therefore anchored ESG targets in the variable remuneration system for all members of the Board of Managing Directors via the Group target from 2023.

The Supervisory Board has added an explicit ESG sub-target to the Group target, which accounts for 60 percent of the variable remuneration of the members of the Board of Managing Directors and 20 percent of the achievement of the Group target. The achievement of the emission reduction targets in accordance with our climate transition plan has been incorporated into the ESG sub-target. Since the 2023 financial year, ESG targets have thus been explicitly anchored in the variable remuneration system for all members of the Board of Managing Directors via the Group target. As in previous years, they will be supplemented by any additional social and governance targets in the divisional and individual targets.

ESG targets in the remuneration of the Board of Managing Directors



We keep an eye on all requirements – to drive sustainable growth.



→ Target G1 Zero tolerance for corruption

We have defined the prevention of corruption in the bank as an important Group objective with a strict zero-tolerance policy. Employees who are found to have violated this principle will face employment, civil and criminal consequences. Thanks to extensive measures, we have not recorded any cases of corruption to date, and we aim to maintain this record.

In combating corruption, we take into account legal obligations such as the German Criminal Code, the ↗ [UK Bribery Act](#) and the ↗ [US Foreign Corrupt Practices Act](#) and are guided by the ↗ [principles of the UN Global Compact](#), the ↗ [OECD Guidelines for Multinational Enterprises](#) and the ↗ [OECD Convention against Bribery of Foreign Public Officials in International Business Transactions](#). Commerzbank also complies with internationally recognised standards such as the recommendations of the ↗ [Financial Action Task Force on Money Laundering \(FATF\)](#) and the ↗ [Wolfsberg Anti-Money Laundering Principles](#).

We have supplemented these standards with internal guidelines and defined binding principles of conduct. Commerzbank actively combats all forms of corruption with its Global Anti-Bribery and Corruption Policy (ABC Policy). Among other things, the policy contains guidelines on gifts and invitations. In addition, Commerzbank's business partners are continuously checked for corruption-related hits in business databases on a risk basis.

Our employees receive regular training on these issues. A central element is the annual anti-corruption training for all employees. Business and functional units with a higher risk profile and individuals who are exposed to an increased risk of corruption due to their role at Commerzbank also receive targeted training. The Supervisory Board and the Board of Managing Directors are also trained by the Chief Compliance Officer on ABC-relevant topics.

All German units and foreign locations have designated employees who are available as local contacts for ABC issues. In addition to the tried-and-tested contact channels via the compliance departments, the ↗ [Business Keeper Monitoring System \(BKMS\)](#) has been in place since 2009 as a whistleblower system through which customers, employees and third parties can report white-collar crime online - anonymously if they wish. The strict confidentiality of the identity of the whistleblower and the persons named in the report is a top priority.



Zero cases of corruption in the Commerzbank Group in recent years



Three questions for Hans-Georg Beyer

Hans-Georg Beyer

Group Chief Compliance Officer (CCO)

Hans-Georg is responsible for all the Group's compliance units, including its international branches and subsidiaries. He is also the Group's Money Laundering and Human Rights Officer. He has a doctorate in business administration and previously held various management positions at Commerzbank in the areas of audit and compliance.

We spoke to Hans-Georg Beyer about Commerzbank's strict zero-tolerance Bribery and Corruption Policy and the bank's preventive measures.

What specific measures are you taking at Commerzbank to combat bribery and corruption?

Commerzbank does not tolerate bribery and corruption under any circumstances and has an ethical and regulatory responsibility to avoid such risks. Commerzbank's Global Anti-Bribery and Corruption Policy – our ABC Policy – sets out minimum standards for prevention and establishes effective safeguards. As part of the ABC risk analysis, we also ensure that risks are identified and mitigated. In addition, binding codes of conduct apply and the business units are supported and monitored by Group Compliance in the implementation of the ABC standards.

How do you inform your employees about the risks of bribery and corruption?

Raising employee awareness is a key component of our prevention strategy. They receive annual training and are made aware of the risks of bribery and corruption. Thus we create general awareness and provide knowledge about prevention and how to deal with risk factors such as gifts and invitations. We also inform them about the relevant reporting channels and contact persons for suspected cases. Furthermore, we use the intranet to provide targeted information on ABC issues.

How do you handle reports of possible violations and what do you do to protect whistleblowers?

Any suspected breach of law or internal policy can be reported by employees, customers or third parties. We take these reports very seriously and established a whistleblower system 15 years ago. Anyone who makes a report in good faith will be protected from discrimination, dismissal or other retaliation. The internal reporting office treats the reports and the identities of the whistleblowers and those named in the report as strictly confidential, in accordance with legal requirements. Access to the reports is therefore restricted to a small number of people.



→ Target G2 **Outstanding culture of integrity**

Commerzbank's risk culture is an integral part of our culture of integrity. This refers to the entirety of the bank's Group-wide behavioural patterns, values, standards and norms. These risk culture aspects not only shape our executives' and employees' daily decisions, but also shape how we perceive risks. We believe that a positive risk culture is essential to the sustainable success of the bank.

As part of our corporate governance strategy, we have been assessing our performance in the area of integrity culture since 2019 and have set ourselves ambitious targets with the culture of integrity score. The score follows a three-stage categorisation based on traffic light logic, with Commerzbank aiming for a score in the green zone, and thus top values.



A **culture of integrity** characterises the values and success of Commerzbank.

Our culture of integrity score

The culture of integrity score results from the assessment of the following topics:

- **Management culture**
Middle and senior management convey our corporate values through their behaviour and lay the foundation for a strong risk culture.
- **Responsibility and accountability**
Employees are required to take responsibility and adhere to applicable risk limits.
- **Communication and critical dialogue**
Interaction within the bank should be characterised by clear and direct communication, facilitating critical dialogue at all levels.
- **Incentive structures**
Appropriate incentives must be in place to support the alignment of the risk culture with the bank's risk profile.
- **Risk awareness and learning**
Adequate risk awareness must be ensured, with a focus on the bank's culture of failure, so that employees can learn from their mistakes.

These areas are rated on a scale of one (excellent) to four (room for improvement) using selected measurable indicators. For example, in the area of awareness and learning, measurable indicators include the number of error culture events held and the number of participants in these events. The final result, in the form of a traffic light system of green, yellow and red, also includes a survey indicator, which takes into account the results of specific sub-areas of the employee survey that are relevant to risk culture.

At Commerzbank, the culture of integrity has three dimensions, each with a corresponding target image:

- **Mindful:** You take care of yourself and your colleagues, stay attentive and demonstrate integrity.
- **Trustworthy:** You are entrepreneurial, customer-focused and act in accordance with our rules.
- **Reliable:** You deliver what you promise - and only promise what you can deliver.



Code of Conduct and values

Integrity is at the heart of our business model. Our globally binding [Code of Conduct \(CoC\)](#) summarises our self-understanding of ethical and morally impeccable behaviour. It goes beyond legal and regulatory requirements and sets standards for Commerzbank employees and service providers.

We are aware of our corporate responsibility to respect human and environmental rights. In 2019, we published a Human Rights Position as a binding basis for our Group-wide commitment to human rights. We continuously review and develop our position. We are committed to respecting human and environmental rights in our own operations and in our supply chain, and to providing access to remedy for those affected by human rights and environmental abuses in accordance with the German Supply Chain Due Diligence Act (LkSG). Anyone who is potentially affected by human rights or environmental violations in the business area of Commerzbank AG or in the supply chain can submit information via our whistleblower system, regardless of whether the violations occur in Germany or abroad (see [page 84](#)).

Human rights

Human rights are a broad issue that affect our employees, our value chain and the communities in which we operate. This social and ethical area has far-reaching compliance implications.

In an increasingly globalised world, it is vital that companies not only strive for economic success, but also take responsibility for the social and environmental impact of their actions. Commerzbank is committed to respecting human rights, both within our own organisation and throughout our supply chain.

Since 2019, our [Human Rights Position](#) has been an integral part of our social due diligence in our customer business. In it, we commit to respect human rights and to actively contribute to the promotion and protection of human rights within our sphere of influence, for example in our dealings with employees, suppliers and customers.

With the United Nations Declaration of Human Rights of 1948 and subsequent international agreements, states have committed themselves to respecting and protecting human rights and the environment.

This is laid down, for example, in the [UN Guiding Principles on Business and Human Rights](#) and in the [UN Global Compact](#), a global initiative of influential companies and the United Nations, which Commerzbank joined in 2006. Companies are obliged to respect human rights in their business activities.

Germany has transposed into national law these international human rights and environmental requirements for companies with the [Supply Chain Due Diligence Act \(LkSG\)](#). The LkSG obliges Commerzbank to avoid or minimise human rights and environmental risks in its own business operations as well as in those of its suppliers, and to take remedial action if violations are identified. These risks include, for example, discrimination in the workplace, disregard for occupational health and safety, unequal pay and lack of trade union freedom.



Stakeholder dialogue: Open, transparent and sustainable

We value dialogue with our stakeholders and engage with many groups that have a relationship with the bank. In addition to our employees, these include customers, the capital market, the financial sector, suppliers, service providers, the media, NGOs, politicians, civil society and academics.

We engage with them through personal dialogue, discussion events, strategic collaborations and a wide range of communication channels, from our website to our sustainability report.

Customer communication

We want to advise our customers fairly and competently. For private customers, we use the ↗ [FinanzKompass](#) financial planning tool, the Strategy Dialogue and the Entrepreneur Dialogue. For corporate clients, we offer a dialogue on strategy and entrepreneurship in the form of our ↗ [Entrepreneur Perspectives](#): in this annual study, we also ask companies of different sizes and from different sectors about sustainability issues. We present the results of the study at dialogue events where entrepreneurs can exchange ideas in person.

Investor relations

We also discuss ESG issues with the investment community, including rating agencies, institutional investors and analysts. The Investor Relations division actively communicates our commitment to the financial community, for example through our own ↗ [ESG presentation](#), by responding to rating questionnaires, in presentations and discussions at conferences or at our Capital Markets Day. We also discuss ESG issues with mainstream investors and are pleased to see them increasingly integrated into standard financial analysis.

Our commitment to sustainability is regularly assessed by rating agencies. The ESG scores and the latest rating results can be found on our ↗ [sustainability portal](#).

We regularly receive awards for our ESG performance. For the sixth time in a row, Commerzbank has been included in the Corporate Knights “Global 100 Most Sustainable Corporations in the World Index” (G100). We are one of only six German companies and the only German bank in this index.



We value the exchanges with our stakeholders and appreciate the feedback we receive from them.



Dialogue with non-governmental organisations (NGOs)

Commerzbank engages with numerous organisations in civil society and academia to discuss their needs, wishes and suggestions. In addition to risk prevention and reputation management, active dialogue with NGOs also helps Commerzbank to make strategic decisions and to plan ahead. For example, in the run-up to the finalisation of our ↗ [Fossil Fuels Policy](#), published in December 2021, we held intensive consultations with one NGO in particular, which had already provided critical support for earlier guidelines and made constructive suggestions for improvement.

Political communication

As an international commercial bank, politicians and the public expect Commerzbank to comment on relevant economic policy issues. We maintain liaison offices in Berlin and Brussels so we can be a good dialogue partner for political stakeholders at the national and international levels. We also have a representative at the ↗ [International Institute of Finance \(IIF\)](#) in Washington. The Public Affairs department there monitors political and regulatory debates and forthcoming legislative proposals. After analysing such issues, we develop our own positions on relevant topics together with the respective specialist divisions and discuss these with stakeholders from the political environment.

Commerzbank is registered in the EU Transparency Register and the Lobby Register of the German Bundestag. We disclose the binding requirements and principles of our work in this environment in our Political Communication Guidelines.

We have also established various event formats for dialogue with political representatives: the “Future Workshop at the Brandenburg Gate” is opened by a member of the Board of Managing Directors and a speech by the Chairman of the Supervisory Board. This is followed by a panel discussion with a member of the German government on current social, economic and financial policy issues. The aim of the event is to promote dialogue and help shape Germany’s future.

A ↗ [“Political Breakfast”](#) also takes place regularly in Berlin with guests from the worlds of politics, science and business. The “Mittagswerkstatt” (Lunch Workshop) provides an opportunity to share expertise and discuss current issues with members of parliament. The “Lunch:lab!” in Brussels pursues a similar goal. The “Annual Reception in Brussels” is a format for dialogue between members of Commerzbank’s Board of Managing Directors and high-ranking interlocutors from the worlds of politics and business. “SHE VIP” and ↗ [“Female Finance”](#) are networking formats by and with successful women from business, politics, society, media and culture. Selected activities can be followed on social media channels under #cobapolitics.



Commerzbank engages in dialogue with numerous **organisations from civil society and academia** on a wide range of topics.



Keeping an eye on ESG risks – and how it impacts Commerzbank

ESG risks are among the most important risk factors for the future of Commerzbank. In the following, we present the individual risk drivers and describe the materiality assessment process for risk management.



Environmental risk

We define environmental risk to include both climate and biodiversity risk. The materiality assessment for environmental risk is based on the European Central Bank's Guide on climate-related and environmental risks and considers transition and physical risks. Transition risks arise from the transition to a lower-emissions economy, e.g. through regulatory changes in energy policy or technological innovations. Physical risks arise from changes in climatic conditions, such as extreme weather events like floods or heat waves.

Social risk

Social risk can arise as part of the desired societal change towards a more inclusive society. Our risk analysis focuses on potential negative consequences for Commerzbank in relation to employees, customers, supply chains and affected communities. Social risk that may be exacerbated by climate change, such as political unrest or migration, is also taken into account in the management of social risk.



Governance risk

Commerzbank defines governance risk as the negative consequences of non-compliance with internal guidelines, breaches of laws and regulations and the inadequate management of environmental and social risk. This can also lead to reputational risk, i.e. the risk that Commerzbank loses the trust of its stakeholders.



Integration of ESG risks into the risk management of Commerzbank

At Commerzbank, we view ESG risks as a horizontal risk driver within the bank's internal risk management (with the aim of protecting the bank from financial and non-financial losses). ESG risks can materialise in familiar risk types such as credit or market risk. As part of the annual risk inventory, we conduct a comprehensive materiality assessment for ESG risks across all risk types, i.e. environmental, social and governance risk. All of the bank's risk types are assessed for the materiality of their exposure to ESG risks in accordance with regulatory requirements and internally developed methodologies. (For the methodology, see the [CRR Disclosure Report, Appendix 4](#)).

This categorisation into material and non-material risk types is based on a time-related dimension and a risk type-specific dimension. The time-related dimension is divided into short, medium and long-term time horizons.¹

The analyses ensure that the effects of the risk types materially affected by ESG risks are fully taken into account in Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP). The results of the materiality assessment are incorporated into strategy processes, internal reporting and other

capital adequacy assessment processes to ensure adequate capitalisation. In particular, risk types materially affected by ESG risks are managed within the relevant risk function. The materiality assessment for ESG risks is therefore an integral part of Commerzbank's risk governance.

Climate Risk Score

The impact of climate risks is particularly relevant for the Corporate Clients, Specialised Finance, Banks and Commercial Real Estate Finance portfolios. Here, the results of the scenario and credit risk analyses are summarised in a structured assessment: the climate risk score. This score is used in the individual credit decision. Depending on the score, increased portfolio-specific requirements are triggered, such as the need for an in-depth analysis of climate risks, or restrictions, such as a maturity limit. We also use the score as part of our portfolio analysis and management. Portfolio-specific guidelines, embedded in the credit risk strategy, limit exposures with elevated climate risks. These processes and procedures are fully integrated into credit risk analysis and are mandatory components of the relevant procedures.

Greenwashing

Commerzbank is also exposed to greenwashing risks when it develops and offers sustainable products and when it communicates its sustainability goals. We define greenwashing as the conscious or unconscious misleading about an organisation's sustainability practices or the sustainability characteristics of a product or service. Commerzbank does not tolerate greenwashing and has established various processes and control mechanisms to prevent greenwashing in our sustainable products and business activities. We regularly review our activities and products for greenwashing risks, for example as part of the new product process for sustainable products. Greenwashing is also included as a standard risk in the internal control system. Employees are regularly sensitised to potential greenwashing risks, and the definition of greenwashing is reviewed and developed as necessary in the light of new regulations for sustainable activities and products.

¹ The short-term time horizon is up to one year, the medium-term is 1-5 years and the long-term is more than five years (with a minimum of 10 years).



Responsible reporting: Making sustainability measurable

As long as our ESG targets remain in place, Commerzbank will report on progress against these targets as part of its non-financial reporting and in its quarterly earnings reports. Commerzbank reports on its sustainability strategies and measures in line with international standards:

For the 2024 financial year, we are publishing a sustainability report for the first time in accordance with the **European Corporate Sustainability Reporting Directive (CSRD)**. This report forms the core of our sustainability reporting and is part of the Group management report in the annual financial statements. The sustainability report is reviewed by our auditor with "Limited Assurance." Commerzbank has already been publishing a [non-financial report](#) in accordance with the CSR Directive Implementation Act since 2017.

In accordance with the EU Taxonomy Regulation (2020/82/EU), Commerzbank provides information in its non-financial reporting on the extent to which its business activities are in line with environmentally sustainable business practices in accordance with the criteria of the EU Taxonomy Regulation. The regulation defines the criteria according to which an economic activity – and thus also an investment in it – can be classified as environmentally sustainable. In line with Commerzbank's ESG strategy, investments that comply with the EU Taxonomy Regulation form the core of the sustainable loans portfolio (see [page 36](#)).

Since 2005, we have published sustainability reports in accordance with the Sustainability Reporting Standards of the **Global Reporting Initiative (GRI)**. The [GRI report](#) is also our progress report on the implementation of the ten principles of the [UN Global Compact](#), which we joined in 2006.

Commerzbank reports on environmental, social and governance risks in accordance with the **EU Capital Requirements Regulation (CRR)** (see [page 91](#)). The process for analysing the materiality of ESG risks is described in the ESG risks section (see [page 91](#)).

In 2019, Commerzbank was one of the first signatories to the **Principles for Responsible Banking (PRB)** of the United Nations Environment Programme Finance Initiative (UNEP FI). Since 2021, our progress in implementing the six principles has been part of our non-financial reporting.

In 2020, we joined the **Task Force on Climate-related Financial Disclosures (TCFD)** to analyse and report with transparency on the risks and opportunities of climate change for our loan portfolio. From 2022, we will publish our TCFD report as part of our non-financial reporting.

Biodiversity also has an impact on our loan portfolio through nature-related opportunities and risks. To disclose these, we have been supporting the **Taskforce on Nature-related Financial Disclosures (TNFD)** since April 2023. Our TNFD report was published for the first time for the 2023 financial year as part of our [non-financial reporting](#).

Since 2019, the **EU Disclosure Regulation** has required us to provide information on the sustainability of the investments underlying our financial products. In our statement on this topic, we report on the material negative impact of investment decisions on sustainability factors in asset management (see [page 54](#)).



Key publications at a glance

- [Non-Financial Report](#)
- [GRI Report](#)
- [Disclosure Report](#)



Glossary

ABC Policy (Anti-Bribery and Corruption Policy): A policy that defines measures and behaviour to prevent and combat bribery and corruption within Commerzbank.

ACI (Aquila Capital Investment): An asset management company focusing on sustainable investments in real assets.

Arctic drilling: Extraction of oil and natural gas in the Arctic region, both onshore and offshore.

CCS (carbon capture and storage): A technology to capture and permanently store carbon dioxide (CO₂) in geological formations to prevent its release into the atmosphere, thereby helping to mitigate climate change.

CCU (carbon capture and utilisation): A process by which carbon dioxide (CO₂) is captured from emissions and then used to make products instead of being released into the atmosphere.

CDP (Carbon Disclosure Project): An international non-profit organisation that encourages companies and cities to disclose and manage their environmental impacts, in particular their greenhouse gas emissions and use of water resources.

CERO (Chief Environmental Risk Officer): The person responsible for identifying, assessing and managing environmental and sustainability risks within Commerzbank.

Climate neutrality: By this, we mean the state in which an organization fully compensates for its existing greenhouse gas emissions in arithmetical terms. This complete compensation is achieved through the purchase and retirement of so-called CO₂ certificates. CO₂ certificates refer to climate protection projects that can serve both CO₂ avoidance and CO₂ removal.

CoC GIF (Centre of Competence Green Infrastructure Finance): Commerzbank's centre of competence specialising in financing and advisory services for energy projects and investments.

CRR (Capital Requirements Regulation): An EU regulation that defines the minimum capital requirements for financial institutions to cover their risks and ensure financial stability.

CSRD (Corporate Sustainability Reporting Directive): An EU directive that requires companies to produce comprehensive and standardised reports on their environmental, social and governance (ESG) performance in order to promote transparency and accountability in relation to sustainability.

Deep-sea drilling: Offshore drilling conducted from drill ships or drilling platforms into great ocean depths, primarily to extract natural gas or oil.

Deep-sea mining: The extraction of mineral resources from great ocean depths to access metals such as copper, nickel, or cobalt.

Downstream: Processing and conversion (refining) of raw materials into intermediate and final products.

Dual-fuel power plants: Power plants that are designed to run on multiple fuel types. This capability allows them to switch between fuels seamlessly, ensuring continuous power generation even if one fuel source becomes unavailable.

EAP (Employee Assistance Programme): A programme offered by Commerzbank to its employees to support them with personal or work-related problems, including counselling for mental health, stress management, addiction problems and legal or financial challenges.

ECA (Export Credit Agency): A governmental or semi-governmental institution that provides financing solutions and insurance to support the export of goods and services in order to reduce risk for exporters and promote international trade.

ESG (Environmental, Social and Governance): A term commonly used in the financial market for sustainability in relation to environmental, social and governance issues.

EU Taxonomy Regulation: A framework for the universal classification of "green" or "sustainable" business activities within the EU, which, as such, is part of the overarching European Green Deal.



FATF (Financial Action Task Force on Money Laundering): An international, government-sponsored organisation that develops and promotes standards and measures to combat money laundering and terrorist financing.

FINZ (Financial Institutions Net-Zero Standards): A standard set by SBTi for financial institutions to achieve net-zero goals.

Fracking (hydraulic fracturing): A technique for extracting natural gas and crude oil from shale. A liquid is pumped into the earth at high pressure so that gas or oil trapped in the shale can escape.

FSC (Forest Stewardship Council): A non-governmental organisation dedicated to the protection of forests and the certification of forestry operations, timber, paper, etc. according to sustainability criteria.

GHG (greenhouse gases): Gases such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) that contribute to global warming and climate change by trapping heat in the Earth's atmosphere.

GHG (Greenhouse Gas Protocol): Internationally recognised standards for the quantitative measurement and reporting of greenhouse gas emissions, which helps companies and governments assess their carbon footprint and develop measures to reduce emissions.

GRI (Global Reporting Initiative): An international organisation that develops sustainability reporting standards to help companies and other organisations present their environmental, social and economic impacts in a transparent and comparable manner.

GRSB (Global Roundtable for Sustainable Beef): An international multi-stakeholder organisation dedicated to promoting and implementing sustainable practices in beef production to ensure environmental, social and economic sustainability.

GSB (Group Sustainability Board): Commerzbank's highest decision-making and escalation body for sustainability issues below the Board of Managing Directors.

HIK (Heidelberg Institute for International Conflict Research): A research institute in Heidelberg that records, analyses and evaluates international political conflicts and publishes the annual Conflict Barometer.

ICAAP (Internal Capital Adequacy Assessment Process): An internal process used by banks to regularly review and ensure that sufficient capital is available to cover all material risks.

ICC (International Chamber of Commerce): World chamber of commerce that sets global trade standards and promotes international trade.

ICMA (International Capital Markets Association): A global association that develops market practices and standards for international capital markets and promotes the interests of market participants.

IEA (International Energy Agency): An organisation that promotes secure, affordable and sustainable energy policies worldwide and provides analyses of the energy industry.

IIF (International Institute of Finance): A global association of the financial services industry focused on representing the interests of its members, promoting financial stability and providing economic research and analysis.

LATR (linear annual temperature reduction rate): A method for determining the annual reduction rate of targets or emissions in a fixed, linear progression.

LBO (leveraged buyout): The acquisition of a company with a high level of debt, where the assets of the acquired company are often used as collateral.

LGBT*IQ: The acronym for lesbian, gay, bisexual, transgender, intersex and queer, which encompasses a broad and inclusive community of people with diverse sexual orientations and gender identities.

LkSG (Supply Chain Due Diligence Act): A German law requiring companies to fulfil human rights and environmental due diligence obligations in their supply chains.

LNG (liquefied natural gas): A term for liquefied, processed natural gas.

Midstream: Activities that lie between upstream and downstream. These primarily include the transportation (e.g., via pipelines) and storage of crude oil and natural gas (e.g., in LNG terminals).

MiFID II (Markets in Financial Instruments Directive II): An EU directive on the regulation of financial markets, which aims to improve transparency, investor protection and market efficiency.

Mountaintop Removal Mining (MTR): Special form of surface mining, in which coal seams are exposed by blasting away the mountain top.

Net zero: The state in which an organisation no longer has any net greenhouse gas emissions after all technically and scientifically possible efforts, whereby unavoidable emissions are offset exclusively by carbon removal measures (see "Net-Zero Guidelines" of the ISO, UN Climate Change Conference 2022). Net Zero is not synonymous with climate neutrality.

For banks and financial institutions, net zero also means that the entire portfolio of financed emissions, including investments and loans, has no net greenhouse gas emissions. The Science Based Targets initiative (SBTi) provides guidance for this through science-based targets.

NGO (non-governmental organisation): An independent, not-for-profit organisation, often committed to social, charitable, environmental or political goals, and not run by governments.

OECD (Organisation for Economic Co-operation and Development): A global policy forum which works to develop policy standards to promote economic growth, prosperity and sustainable development worldwide.



PCAF (Partnership for Carbon Accounting Financials): A global initiative of financial institutions to develop standards and methodologies for measuring and disclosing the greenhouse gas emissions of financial portfolios.

PEFC (Programme for the Endorsement of Forest Certification schemes): An institution for the assurance and marketing of sustainable forest management through an independent certification system.

Pkm (passenger-kilometre): The unit of measurement representing the transport of one passenger by a given mode of transport (road, rail, air, sea, inland waterways, etc.) over one kilometre.

PRB (Principles for Responsible Banking): A framework developed by the UNEP Finance Initiative to help banks align their business with the Sustainable Development Goals and the Paris Agreement.

RSPO (Roundtable on Sustainable Palm Oil): An organisation promoting sustainable palm oil cultivation practices.

RTRS (Roundtable on Responsible Soy): An organisation promoting sustainable supply chains in the soy industry.

SBTi (Science Based Targets initiative): A joint initiative of the CDP, UNGC, World Resources Institute and World Wildlife Fund (WWF) to develop science-based climate targets for companies.

SDA (Sectoral Decarbonisation Approach): A target-setting methodology within the SBTi to calculate the remaining global carbon budget for various economic sectors.

SDGs (Sustainable Development Goals): The 17 Sustainable Development Goals adopted by the United Nations as part of the 2030 Agenda, to be achieved by 2030.

SMEs (small and medium-sized enterprises): Companies that, due to their size, number of employees and/or turnover, belong to the small to medium-sized sector and play an important role in the economy.

SPT (Sustainability Performance Targets): Specific targets set by companies to measure and improve their sustainability performance, often linked to environmental, social and governance (ESG) criteria.

SSM (single supervisory mechanism): A mechanism of the European Central Bank which is responsible for the direct supervision of the largest banks in the euro area in order to ensure the safety and stability of the financial system.

Sustainable products: The whole of Sustainable Finance, including green, social and transition finance. This includes not only environmentally focused products (in the narrower sense, green products), but also those with social or transition-related aspects.

Tar sands: Mixture of a very dense form of petroleum (bitumen). Oil extraction from tar sands aims to separate bitumen from sand and other components, and then convert it into crude oil.

TCFD (Task Force on Climate-related Financial Disclosures): An initiative launched by the Financial Stability Board in 2015 to promote the reporting of climate-related financial information.

TNFD (Taskforce on Nature-related Financial Disclosures): An initiative to develop a framework for the disclosure of nature-related risks and opportunities by companies and financial institutions.

Upstream: Exploration and production of oil and gas.

VfU (Association for Environmental Management and Sustainability): An organisation that supports companies and financial institutions in implementing environmental management and sustainable practices.



General information

- This ESG framework has been **externally reviewed and validated by ISS-Corporate**. The results have been documented in an external review, which is available ↗ [here](#). It will be updated regularly or in the event of relevant changes.
- We have established a governance process to ensure that all transactions, products and services that are considered sustainable comply with this framework.
- Our ESG framework has been approved by the Group Sustainability Board (GSB).
- As the definition and understanding of sustainability, regulation and market standards evolve, Commerzbank reserves the right to regularly review and adjust sustainable "uses of proceeds".
- The current version of the ESG framework is published on the Commerzbank ↗ [website](#).
- **Scope:** The ESG framework applies without restriction to Commerzbank AG in Germany. If the scope is extended to Commerzbank AG abroad, the Group or selected subsidiaries, this will be explicitly stated.



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