Acting responsibly, growing sustainably

ESG Framework

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The overarching sustainability definition is provided on ↘ page 6.

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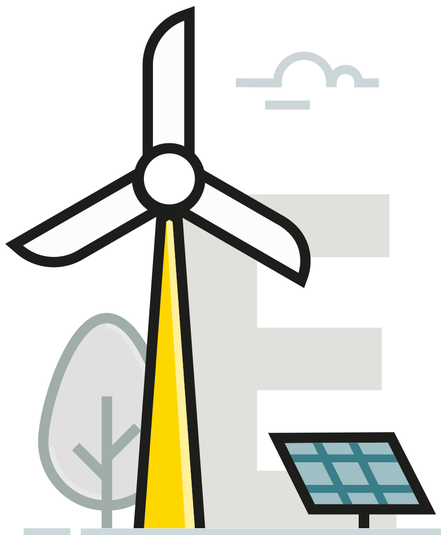


Foreword by the Chairwoman of the Board of Managing Directors

The sustainable transformation[1] 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 ongoing war in the Middle East are creating ongoing uncertainty.

[1] The definition of sustainability underlying this ESG Framework is presented on ↘ page 6.

“We see sustainability[1] as a responsibility and a success factor. We offer our clients tailored solutions and work with them to shape sustainable change.”

Our ESG positioning

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.

It is therefore all the more important to focus on the opportunities that this transformation presents and to recognise sustainability[1] 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.[1] 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 CO_2 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 this ESG framework 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 lower-emission 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

[1] The definition of sustainability and ESG underlying this ESG Framework is presented on ↘ page 6.

Our ESG framework: Acting responsibly, growing sustainably

In recent years, sustainable[1] 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 AG'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 low-emission economy.

At the same time, our ESG framework focuses on the Social and Governance 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)

[1] The definition of sustainability underlying this ESG Framework is presented on ↘ page 6.

Sustainability and ESG

Sustainability describes a forward-looking perspective in which environmental, social and economic aspects are considered over the long term in order to preserve the foundations of life and business for future generations. In the corporate and financial sectors in particular, these aspects are commonly summarized under the term ESG (Environmental, Social and Governance).

Sustainability is defined differently across regulatory, scientific, and economic contexts. Regulatory requirements, such as the ↗ EU Taxonomy or the ↗ EU Sustainable Finance Disclosure Regulation, provide a framework for individual sustainability aspects while leaving room for company-specific specification.

The specific meaning of sustainability for Commerzbank AG's products, services, and business activities is set out in our ESG Framework. It defines the relevant criteria and distinguishes, in particular, between the Bank's own business and external client investment and insurance business, including asset management and securities business ("third-party business").

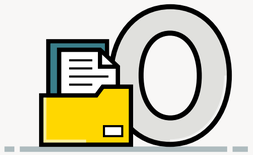
ESG is the abbreviation for Environmental, Social, and Governance and is used to describe the different dimensions of sustainability.

Environment (E)

Environment encompasses the protection of the climate and natural life-support systems. The focus is on reducing greenhouse gas emissions, the responsible use of resources such as water and energy, as well as the protection and promotion of biodiversity. Particular emphasis is placed on the preservation of healthy ecosystems, as the loss of species and habitats can have far-reaching consequences for the environment, the economy, and society.

Social (S)

Social relates to people and the broader societal environment. This includes fair and safe working conditions, the protection of health, as well as the promotion of education and social participation. The social dimension also encompasses topics such as diversity, inclusion, and equal opportunities, as well as the respect for human rights along supply chains.



Governance (G)

Governance refers to sound corporate management. This includes compliance with legal and regulatory requirements as well as internal policies that govern business operations. Key aspects include, among others, data protection, the prevention of corruption, and transparency through reliable reporting and clear communication.

Sustainability strategically anchored

Commerzbank AG 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 (see ↘ page 42). 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 goals. In 2026, we published our own climate transition plan, which is embedded in our business strategy and reflects our ambition to achieve net zero CO_2 emissions in our credit and investment portfolio by 2050 (see ↘ page 12).

Our milestones to date

2003 — **Establishment** of the ↘ **Green Infrastructure Finance Centre of Competence (CoC GIF)**

2005 — Publication of **our first** ↘ **sustainability report**

2007 — Integration of ↘ **sustainability risks**

2018 — Issuance of our first ↘ **green bond**

2019 — We promote energy-efficient buildings with our ↘ **green mortgage loans**

2020 — ↘ **Sustainability management** as a separate area in our corporate strategy

2022 — Publication of our first **ESG framework**

2026 — 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 25). 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 (see ↘ page 11).

At the same time, we are also advancing the transformation within our own operations: we have committed to achieving net zero CO_2 emissions by 2040 (see ↘ page 64). The strategic target for emission reduction as well as its implementation are also embedded in our climate transition plan and are supported by it (see ↘ page 12).

The protection of biodiversity is a key environmental concern, the importance of which we explicitly recognize. Accordingly, we take the preservation and sustainable use of biodiversity into account in our strategic alignment. 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 thee ↗ 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 81). 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 75). At the same time, we strive to continuously improve employee satisfaction and create an equal opportunity working environment (see ↘ page 80). 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

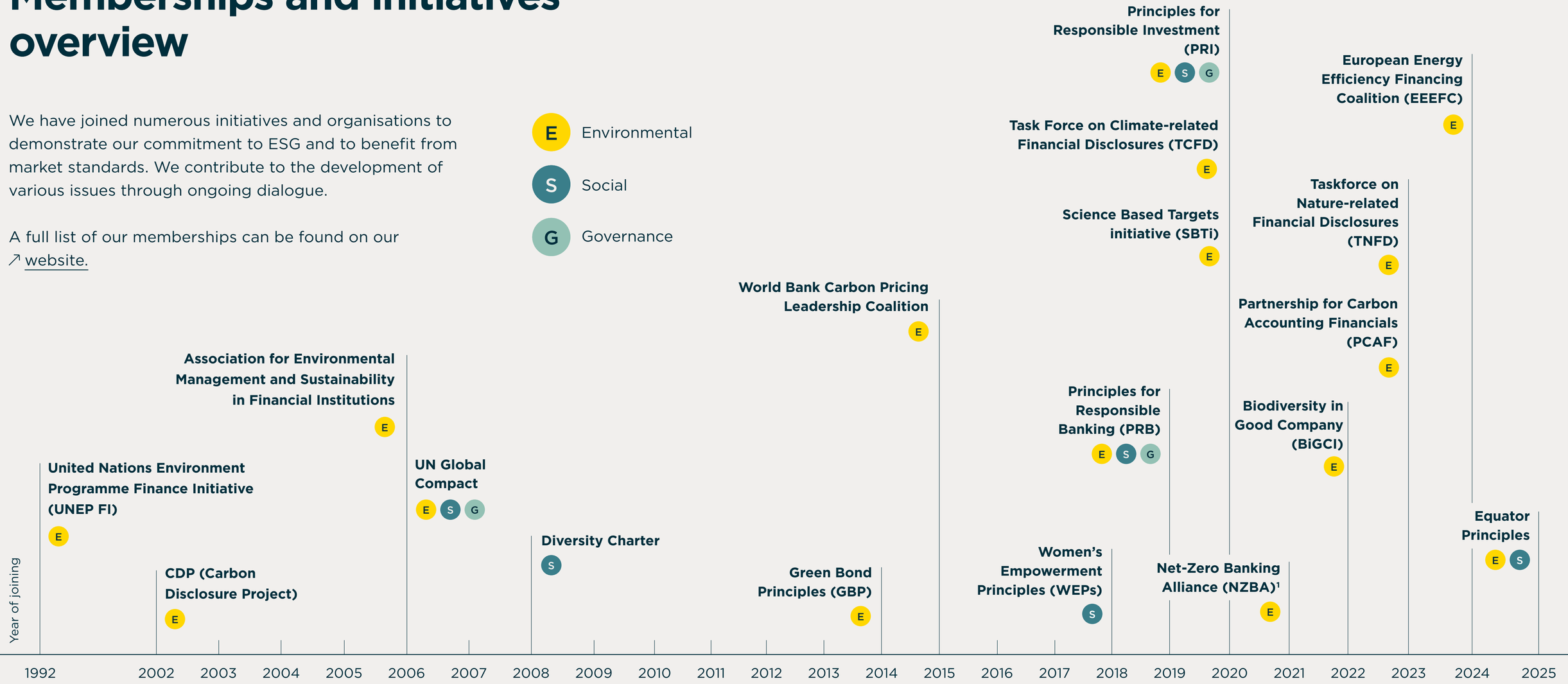
For us, good corporate governance means embedding sustainability in all aspects of our business and maintaining the highest ethical standards. It is the foundation for trust and long-term success. We have therefore made our risk culture an integral part of our integrity culture (see ↘ page 92) and have a strict zero-tolerance corruption policy (see ↘ page 97). 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.



[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

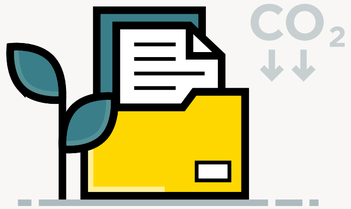
Protecting biodiversity and the climate is a major challenge for the world, and as a bank we want to – and must – meet this challenge. That is why sustainability in all its dimensions is an integral part of Commerzbank AG's core business. The United Nations Sustainable Development Goals (SDGs) and the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

→ **General Finance**
We integrate sustainability considerations into our core business, in particular through ESG exclusion criteria (see ↘ page 15).

→ **Sustainable Finance**
We finance green and social business models and projects that contribute to a shift towards greater sustainability (see ↘ page 42).

→ **Bank transformation**
Commerzbank AG has its environmental and energy performance audited annually by third parties to ensure continuous improvement (see ↘ page 69).

Our strategic environmental targets, whose implementation plans are presented on the ↘ next page.



→ Target E1

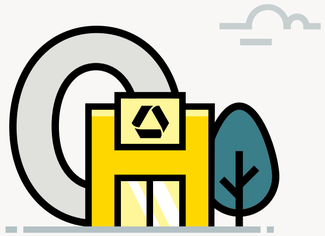
Net-Zero Portfolio

We aim to achieve net-zero financed CO_2 emissions in 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 green and social projects and business models, as well as to our clients' transformation measures.



→ 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 and implementation plans: 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 AG'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.

To underpin our climate transition efforts and net-zero ambition, Commerzbank AG has established a set of environmental targets that define the intended outcomes of our transition pathway. To support the credibility of our forward-looking environmental targets, each target is accompanied by a dedicated implementation plan. These plans set out the actions, milestones, governance arrangements, resources and monitoring processes required to achieve the targets. They also include forward-looking assessments of progress and provide the basis for regular review and corrective action where necessary. This approach is intended to ensure that our environmental claims are supported by clear, objective and verifiable commitments in accordance with Empowering Consumers for the Green Transition (EmpCo).

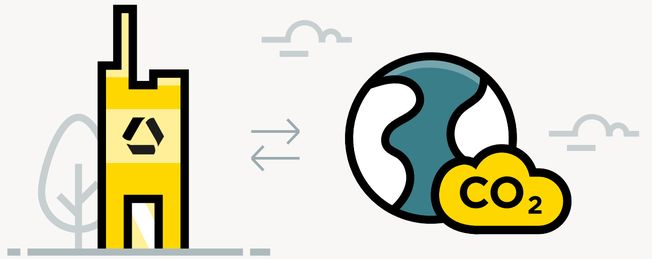
Effects of climate change

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.

Financing activities can have an **impact** on climate change: positively when capital is directed towards low-emission solutions, or potentially negatively in the case of carbon-intensive financing. Through sustainable products, we support climate-friendly investments and channel financial flows towards projects that help mitigate climate change. By reducing carbon emissions in our own operations, for example through the use of green electricity, we contribute to the decarbonisation of the economy and society. At the same time, physical climate risks and transition risks can affect existing **risk** types such as credit or market risk. However, growing investment needs for climate protection measures also create **opportunities** to expand our financing activities.

Impacts

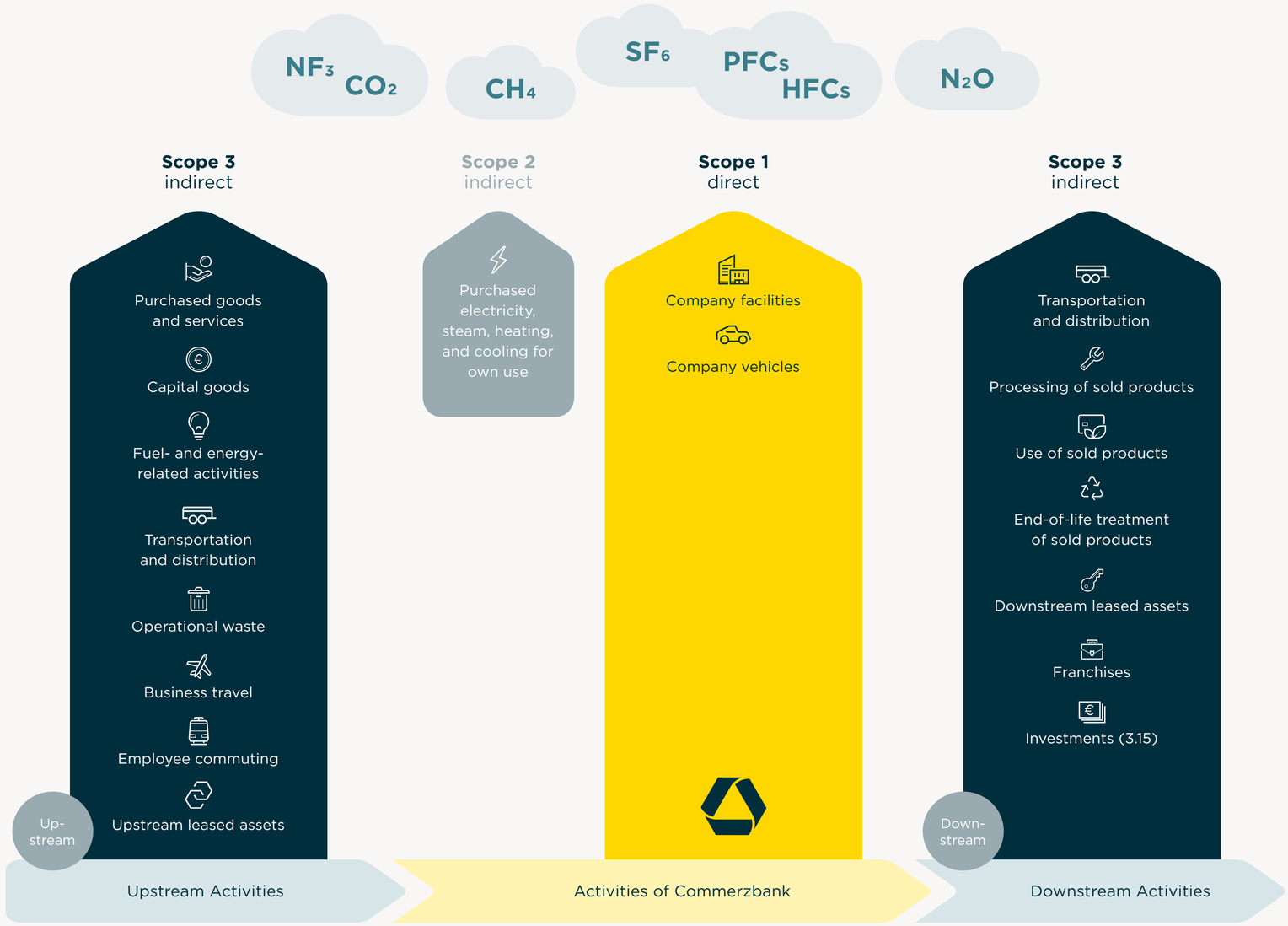
The effects of corporate activity on the climate can be both positive and negative.



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 CO_2 equivalents (CO_2e). 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 pursue measures to reduce our direct and indirect emissions from Scope 1, 2 and Scope 3.15 and, together with our customers and partners, thereby 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 the two **climate targets** the net-zero portfolio and net-zero banking operations in accordance with the requirements of the CSRD, we have defined clear **decarbonisation levers:**

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.

We backed these levers with specific **measures in our implementation plans.**

How the implementation plans support target achievement

Further details on the respective implementation plans are provided in the target-specific sections. We have marked the **elements of the climate transition** and the several **Implementation plans** with these graphics.

Target E1

Net-Zero Portfolio (from ↘ page 28)

Target E2

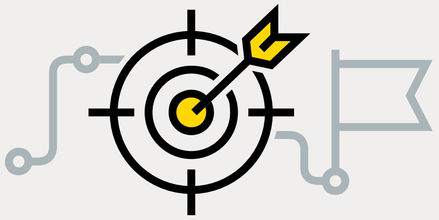
10% Sustainable Loans (from ↘ page 43)

Target E3

Net-Zero Banking Operations (from ↘ page 70)

To support the achievement of our environmental targets, each target is supported by a dedicated implementation plan.

Progress against each implementation plan is reviewed regularly to assess whether the planned measures remain sufficient to achieve the respective target and to enable timely corrective action where necessary.



The plans translate the strategic objectives into concrete operational measures and define:

1. Key implementation actions and milestones
2. Assigned responsibilities and governance arrangements
3. Resource requirements
4. Monitoring and reporting processes
5. Forward-looking forecasting methodologies
6. Predefined management thresholds and escalation procedures

General Finance: Sustainability criteria as the foundation

We have divided our portfolio into General Finance and Sustainable Finance. **General Finance** comprises all financial transactions that meet our fundamental **ESG standards** but do not yet satisfy the strict criteria for sustainable financing, i.e. Sustainable Finance.

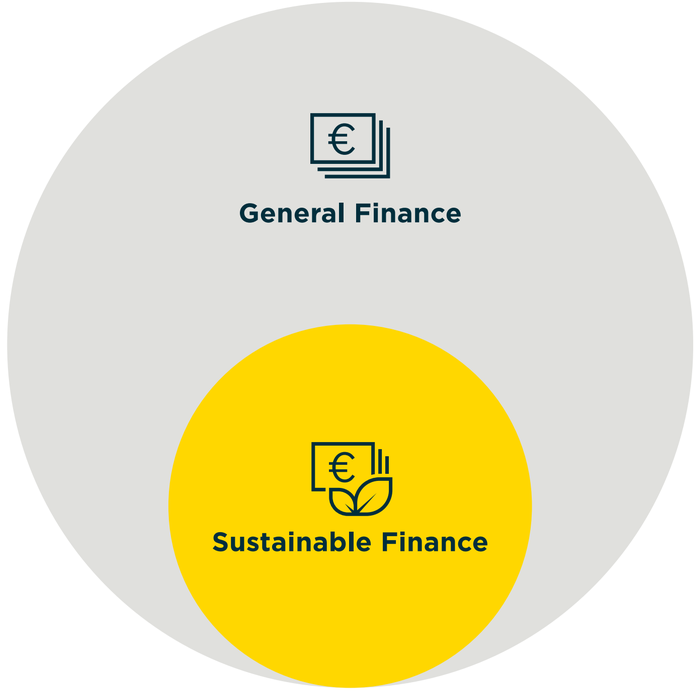
In General Finance, our ESG standards (see ↘ page 16) provide the framework for the systematic identification, assessment and management of ESG risks and potential negative impacts. Our exclusion criteria set binding limits for unacceptable business activities, while enhanced review processes allow for differentiated risk assessment and management. Risks arising from climate change, biodiversity loss or human rights violations can represent substantial financial risks for companies – and therefore for the real economy as a whole. At the same time, we consider it part of our responsibility to continuously limit and manage potential negative impacts of our financing activities on the climate, the environment and society.

In addition to reviewing ESG standards, we actively support the transformation of our clients in CO_2-intensive sectors as part of our **net-zero portfolio management** (see ↘ page 25).

We follow the methodology of the Science Based Targets initiative (SBTi), which enables a science-based alignment of sectors with decarbonisation targets.

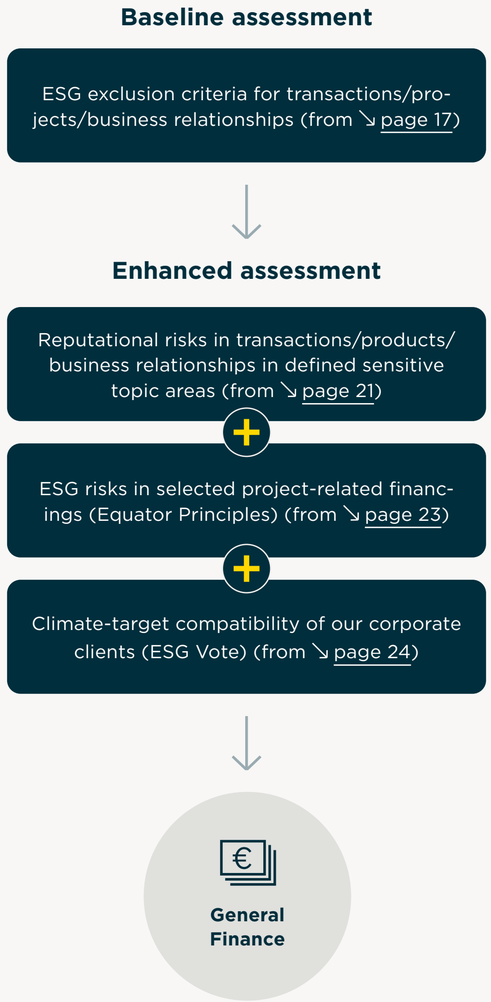
On this basis, we analyse the CO_2 emissions intensities and reduction pathways of our business portfolio (General and Sustainable Finance) in line with the objectives of the Paris Climate Agreement, with a particular focus on sectors with high reduction potential.

Our **review process** ensures compliance with our **ESG standards** and enables the early identification and management of risks.



The relative sizes in the graphic do not correspond to actual business volumes; they are for illustrative purposes only.

Review process to ensure ESG standards



The sequence of the enhanced review steps shown is for illustrative purposes and does not reflect the chronological process flow.

ESG standards for General Finance

To ensure compliance with our **ESG standards for General Finance**, we have established a multi-stage review process that combines clear rules, in-depth analyses and internationally recognised standards. This enables us to identify risks and potential negative impacts at an early stage systematically and actively manage them.

The basis of our ESG standards is formed by the **ESG exclusion criteria** (baseline assessment). Our exclusion criteria set binding guardrails that define the limits of our activities. They are defined by the bank's Group Sustainability Management and reflect our ESG positioning. Financing can only be provided once these requirements have been met.

In addition to the basic review, enhanced reviews are also carried out to ensure compliance with ESG standards.

For products, transactions and business relationships in defined sensitive topic areas, a **reputational risk assessment** is carried out. This assessment identifies and examines potentially critical environmental and social aspects. The aim is to address these risks appropriately with our internal stakeholders and, where necessary, initiate suitable risk-mitigating measures within the bank. Case-by-case reviews are carried out primarily on the basis of external analyses and/or media research.

Another essential element of the ESG standards in the General Finance context is the assessment of compliance with the **Equator Principles (EP)**, an internationally recognised standard for managing environmental and social risks in project finance and project-related corporate loans. EP due diligence includes risk categorisation, independent environmental and social analyses and, where required, defining binding action plans. EP-relevant project-related transactions are not financed without a positive EP Vote.

The **ESG Vote** is a central instrument in the Corporate Clients segment for actively supporting the transformation of our corporate clients in CO_2-intensive sectors (in accordance with SBTi). This instrument assesses, among other things, transition plans. The results of this assessment are incorporated into the customer classification within the ESG Vote, which serves as a basis for steering new lending activities and for assessing the alignment of client relationships with our emission reduction targets. On this basis, we contribute to the gradual decarbonisation of our portfolio and support our clients on the path toward a lower-carbon economy.

ESG exclusion criteria

For many years, we have consistently taken environmental and social aspects into account in Commerzbank AG's client business[1] – through clear exclusion criteria for business relationships,[2] trade finance transactions and the financing of projects.[3] These criteria form the basis of our ESG standards and enable us to reduce potential negative impacts on the climate, the environment and society. To achieve this, we have defined criteria for particularly critical topic areas and regularly review compliance with the standards. Our exclusion criteria set clear boundaries in client business. They define the areas in which we do not engage in transactions or business relationships if activities have significant adverse impacts and no viable transformation perspective is evident. Our exclusion criteria are approved by the Board of Managing Directors and are anchored in internal policies. In addition, the governance dimension (G) is covered by bank-wide compliance structures and processes that ensure compliance with legal, regulatory and ethical requirements (from ↘ page 91).

We continuously develop our exclusion criteria on the basis of relevant external publications and regular dialogue with key stakeholders such as non-governmental organisations (NGOs) (see ↘ page 102), representatives from business, politics and academia as well as other financial institutions. To raise awareness and ensure consistent application, we also maintain an ongoing exchange with our client relationship managers on the assessment processes.

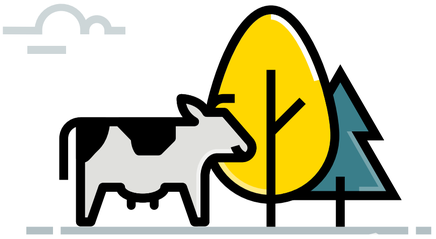
Commerzbank has defined exclusion criteria for the following areas:

1 Deforestation

Deforestation of tropical rainforests continues at an alarming rate. A significant share of forest clearance is driven by the cultivation of agricultural commodities such as palm oil and soy. This results in biodiversity loss, threatens valuable ecosystems, and accelerates climate change. To address these risks, we have established requirements for companies operating in sectors and regions with particularly high deforestation risks. In doing so, we align with internationally recognized standards and continuously assess additional relevant memberships and certifications. These are taken into account where their level of ambition and acceptance is comparable.

Exclusion criteria:

- We do not engage in business relationships with forest-owning forestry, paper, or pulp companies operating in high-risk areas unless they can demonstrate forest management certification in accordance with the ↗ Forest Stewardship Council (FSC) or the ↗ Programme for the Endorsement of Forest Certification (PEFC). For the definition of high-risk areas, we refer to the ↗ Forest 500 High Risk Country List published by the NGO Global Canopy.
- We do not engage in business relationships with companies that cultivate and/or trade palm oil unless they are members of the ↗ Roundtable on Sustainable Palm Oil (RSPO) and can demonstrate RSPO certification.
- We do not engage in business relationships with companies that raise cattle in the Amazon basin and/or process live cattle there into beef unless they are members of the ↗ Global Roundtable for Sustainable Beef (GRSB).
- We do not engage in 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).



[1] Client business refers in particular to lending, financing and trading business with corporate and institutional clients. Different criteria apply to Commerzbank's investment business. Further information on the exclusion criteria in investment business can be found on the product-specific web pages (see ↘ exclusions in asset management).
[2] Client relationship: A client relationship exists when a company is actively managed by the Bank; Client accounts that are created solely for the purpose of processing a transaction or process are not included here.
[3] Financing of projects: Refers to long-term, tight financing (e.g. ECA-covered financing)

2 Mining

Mining and the extraction of raw materials are essential for numerous industries and global value chains; however, they are often associated with material adverse environmental and social impacts and may pose risks to sensitive ecosystems and local communities. In addition to mining activities on land, deep-sea mining is currently developing as a separate sector and could in future affect especially sensitive marine habitats that have so far been barely explored. The potential impacts cannot yet be fully assessed. To limit potential negative consequences, we have formulated clear criteria for the financing of mining activities.

Exclusion criteria:

- We do not finance projects for the development or expansion of uranium mines.
- We do not finance projects in connection with mountaintop removal mining (MTR) and do not maintain business relationships with companies that use MTR. New business relationships with companies subject to the aforementioned exclusion criteria may only be established for environmentally sustainable projects, such as Green Loans (from ↘ page 42).
- We only buy gold from suppliers that apply the guidelines of the Organisation for Economic Co-operation and Development (OECD) or comparable frameworks.
- 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.

For the extraction of fossil fuels such as coal, the requirements on fossil fuels apply (see ↘ Section 4 on fossil fuels).

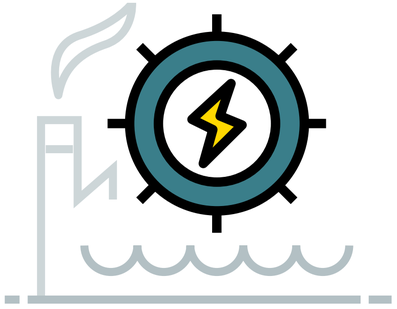
3 Energy

Energy generation involves many risks. The combustion of fossil fuels exacerbates the climate crisis. The operation of nuclear power plants, including complex waste disposal, entails the risk of radioactive releases. In addition to the direct risks of individual energy sources for people and the environment, the construction of new power plants can also result in the displacement of Indigenous peoples or the destruction of protected areas and thus the loss of biodiversity.

Energy generation from fossil fuels is addressed separately in Section 4 on fossil fuels.

Exclusion criteria:

- We do not finance new nuclear power plant projects.



Target E1

4 Fossil fuels

The combustion of fossil fuels such as coal, oil and gas particularly for the purpose of energy generation contributes substantially to climate change. Their extraction is also associated with risks and often has negative impacts on further environmental aspects, Indigenous peoples, workers and local communities. At the international level, the Paris Climate Agreement aims to limit global warming to well below 2 degrees Celsius and, if possible, to 1.5 degrees Celsius. Nevertheless, oil and gas remain indispensable for global energy supply.

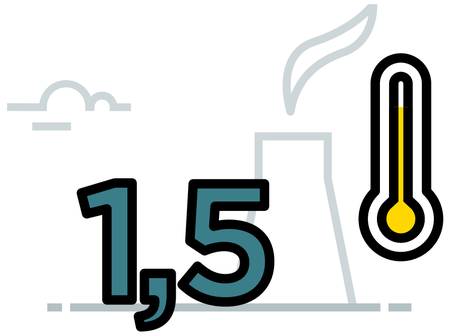
For this reason, the Board of Managing Directors of Commerzbank AG has clearly regulated the handling of business relationships and project financing in the area of fossil fuels in a binding internal guideline. On the one hand, it operationalises our sustainability strategy and, on the other, reflects political developments such as the Federal Republic of Germany's planned coal phase-out by no later than 2038. Furthermore, it reflects the need to ensure a secure energy supply.

With regard to thermal coal, the guideline covers the key elements of the process chain, from extraction and infrastructure through to power generation in power plants. A data source for the guideline, which has been in force since 2022, is the ↗ Global Coal Exit List, prepared and regularly updated by the non-governmental organisation Urgewald.

In the area of oil and gas, the key elements of upstream, midstream and power-generation activities are governed in a binding manner. To operationalise the approach in oil and gas, we use, among other sources, the ↗ Global Oil and Gas Exit List published by the NGO Urgewald.

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 relationships:

- 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 activi ties 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 rev enue and/or generated electricity from coal or are engaged in coal-related expansion cannot establish comprehensive new business relationships with Commerzbank.[1]
- Companies expanding operations in the oil sector (upstream, midstream, energy generation) or in gas exploration and extrac tion (upstream) cannot establish comprehensive new business relationships with Commerzbank.[2]
- New business relationships with companies subject to the aforementioned exclusion criteria may only be established for environmentally sustainable projects, such as Green Loans (from ↘ page 48).

[1] The exclusion criteria do not apply to companies operating coal-fired power plants in Europe that are deemed systemically relevant, municipal utilities, or client relationships maintained exclusively for derivatives trading purposes (including CO_2 certificate trading).
[2] This exclusion criterion does not apply to client relationships maintained solely for derivatives trading activities, including CO_2 certificate trading.

5 Defence and surveillance technology

Commerzbank recognises the right of states to self-defence – particularly within the meaning of Article 51 of the ↗ Charter of the United Nations – in principle. We therefore do not call into question the necessity of the German armed forces ("Bundeswehr") and their appropriate equipment. We finance defence companies that produce weapons and defence systems for the Federal Republic of Germany and its allies. Nevertheless, we have set clear limits for transactions and business relationships relating to the defence sector, in particular regarding controversial weapons, autonomous weapons and end-recipient controls. We regularly revise our exclusion criteria and requirements, taking into account the positions of the German Federal Government, the European Union, the United Nations, other international agreements and various non-governmental organisations.

1. Controversial weapons
Controversial weapons are military weapons that either cause disproportionate suffering among combatants or whose use can result in a large number of uninvolved, particularly civilian, casualties. Examples include nuclear weapons or weapons containing white phosphorus, as well as weapons that are internationally prohibited or banned.

2. Prohibited and banned weapons:
Prohibited and banned weapons are prohibited or banned by international agreements, making their manufacture or use illegal in many countries. Based on these international agreements, we currently define the following weapons as prohibited and/or banned: cluster munitions, anti-personnel mines, incendiary weapons, blinding laser weapons, depleted uranium, and biological and chemical weapons.

3. Fully autonomous weapons:
Fully autonomous weapon systems (so-called lethal autonomous weapon systems, LAWS) are systems in which no further human intervention is required for target selection and engagement. A fully autonomous weapon system is therefore a weapon system without human control over critical functions, in particular target elimination.

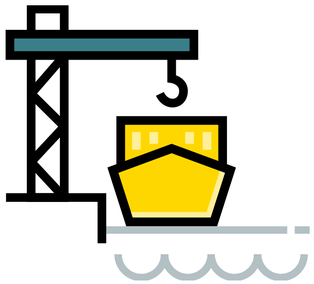
Exclusion criteria:

- Commerzbank does not participate in trade finance transactions or the financing of projects in connection with controversial weapons (weapons and key components).
- Commerzbank does not engage in business relationships with companies that manufacture prohibited and/or banned weapons.
- Commerzbank does not engage in business relationships with defence companies that manufacture phosphorus bombs or other weapon systems using white phosphorus.
- Commerzbank does not participate in trade finance transactions or the financing of projects related to fully autonomous weapons.
- Commerzbank participates in financing defence and weapons transactions only where the end recipient is a clearly identifiable government body.

6 Shipbreaking

Ship dismantling often takes place under critical working conditions that regularly lead to accidents and fatalities. In addition, coasts and seas are polluted. At the same time, ship dismantling is an important source of income for the local economy and covers a significant portion of regional steel demand. For this reason, we have established clear exclusion criteria and case-by-case reviews in this area.

Exclusion criteria:
Commerzbank does not engage in trade finance transactions with shipyards that cannot demonstrate certification according to EU standards or internationally recognised environmental and social standards (ISO 14001, ISO 30000, ISO 45001, Hong Kong Convention or IMO Resolution MEPC.210(63)).



ESG-related reputational risks

A central component of the enhanced assessment of our ESG standards is the systematic assessment of products and project finance,[1] trade finance transactions and business relationships[2] in sensitive topic areas for critical environmental and social issues. This enables us to identify and manage potential reputational risks at an early stage. The basis is continuous monitoring of relevant media and NGO publications on potentially reputation-sensitive environmental and social sectors, covering regional, national and international publications. The defined sensitive topic areas are reviewed regularly and further developed as needed.

First, the relevant business unit checks whether a product, transaction or business relationship falls within one of the defined sensitive topic areas for case-by-case review. If so, Reputational Risk Management conducts a differentiated assessment.
This allows potentially critical environmental and social aspects outside the exclusion criteria to be considered in a differentiated manner.

The assessment begins with an analysis of all facts and parameters provided to Reputational Risk Management for the case. In addition to daily media monitoring, the following sources may be included:

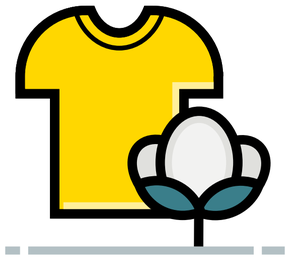
- ESG data and analyses
- Reputational risk data and analyses
- Reports, ratings and scorings by NGOs
- Country-specific analyses
- Specific open-source information

The Assessment uses a five-level scale (no, low, average, significant, high reputational risk) and may, depending on the result, lead to rejection of the product, transaction or business relationship. In particularly serious cases, a high-risk vote is issued. Proceeding contrary to this vote is possible only on the basis of a Board decision within the defined escalation process. Elevated reputational risks are also reported quarterly to the Board of Managing Directors and Supervisory Board.

Against the background of inherent environmental and social risks, the following sensitive topic areas are considered:

Deforestation and agricultural commodities
In the topic area of deforestation and agricultural commodities, the following case-by-case reviews are carried out:

1. Cotton industry:
We assess business relationships with cotton traders on a case-by-case basis with regard to environmental and social aspects. In this context, we take into account a possible voluntary commitment under the ↗ Better Cotton Initiative when assessing reputational risk.



2. Forestry:
Business relationships with forest-owning forestry companies and forest-owning paper and pulp companies active in high-risk countries according to the ↗ Forest 500 High Risk Country List are reviewed on a case-by-case basis.

3. Palm oil:
Business relationships with palm-oil growers and palm-oil traders are subject to case-by-case assessment.

4. Beef:
Business relationships with companies that raise cattle in the Amazon Basin[3] and/or process live cattle into beef in the Amazon Basin are subject to case-by-case review.

5. Soy:
Business relationships with companies that cultivate soy in the Amazon Basin and/or trade soy from the Amazon Basin are reviewed individually.

6. Tobacco:
Business relationships with tobacco producers and cigarette manufacturers are subject to case-by-case assessment.

[1] Project financing: Includes the conclusion of purpose-linked, long-term financing (e.g. ECA-covered financing)
[2] Business relationship: A business relationship exists when a company is actively covered and a comprehensive business relationship exists; pure transaction accounts are excluded.
[3] Brazil, French Guiana, Suriname, Guyana, Venezuela, Colombia, Ecuador, Peru, Bolivia

Mining
In the topic area of mining, we subject projects and business relationships with companies that mine raw materials outside OECD countries or in conflict-affected and high-risk areas of the OECD to a case-by-case review. For identification purposes, we rely on relevant publicly available sources, including the regularly updated list of conflict-affected and high-risk areas commissioned by the European Commission (↗ "CAHRAs List").

Energy
1. Nuclear power:
In addition to excluding the financing of new nuclear power plants, we subject business relationships with energy producers/ power plant operators linked to nuclear power to a critical case-by-case assessment. This also applies to the financing of projects linked to nuclear power, provided that they are not already excluded under the exclusion criteria.

2. Hydropower/dams:
Commerzbank subjects business relationships with energy producers and power plant operators linked to hydropower to a differentiated case-by-case review. This also applies to the financing of projects linked to hydropower and dams.

Fossil fuels
In the area of fossil fuels, the following case-by-case reviews are carried out:

1. Coal sector:
Business relationships and the financing of projects in the coal sector are subject to a case-by-case review. This includes in particular the sectors of coal mining, coal-related infrastructure, transport and trading activities, and coal-based energy generation, including coal-fired power generation.

2. Oil and gas sector:
In the oil and gas sector, case-by-case assessments cover upstream activities, including business relationships with operators of facilities for the exploration and production of oil and gas as well as with plant manufacturers and service providers. Case-by-case reviews are also carried out for midstream activities. These concern business relationships with operators of pipelines and LNG terminals as well as corresponding plant manufacturers and service providers, and also LNG vessels. In addition, case-by-case reviews are carried out for business relationships in oil- and gas-based power generation, including relationships with power-plant operators, plant manufacturers and service providers.

Petrochemicals
Petrochemicals comprise the manufacture of chemical products, such as plastic precursors, from crude oil and natural gas. Business relationships with petrochemical companies and petrochemical projects are subject to a differentiated case-by-case assessment.

Defence and surveillance technology
Defence transactions and business relationships with defence companies that do not fall under our exclusion criteria (see ↘ page 20) are critically reviewed on a case-by-case basis. This takes into account involvement in conflicts or wars, the fragility of states and the human rights situation. We use renowned information sources such as the ↗ Bertelsmann Transformation Index and country ratings from the NGO Freedom House.
Digital surveillance technologies are increasingly being used, particularly by repressive regimes, to monitor and persecute human rights defenders, journalists, political opponents, and certain population groups. We therefore review transactions and companies linked to such technologies.

Ship dismantling
We subject business relationships with ship recycling facilities, buyers or brokers (also known as cash buyers) that are involved in ship dismantling activities to a case-by-case review. Transactions (such as letters of credit or guarantees) for supply business relating to ship dismantling are also reviewed on a case-by-case basis by Reputational Risk Management.

Textiles
Commerzbank AG assesses business relationships with large clients that import end products from the textile, footwear and leather industries. In this context we take into account possible commitments under initiatives such as the ↗ Partnership for Sustainable Textiles or the ↗ Ethical Trading Initiative.

Target E1

ESG risks under the Equator Principles

In accordance with the defined scope of the **Equator Principles (EP)**, Commerzbank AG carries out structured screening processes and an in-depth review of the material environmental, social and governance aspects of a project (so-called "**ESG due diligence**") for selected project-related financings. This applies to the following transaction types:

- project finance or project-related financial advisory services with a volume of USD 10 million or more,
- project-related corporate loans of USD 50 million or more, where at least 50% of the loan amount is allocated to one or more specifically defined projects and effective operational control exists,
- short-term bridge loans with a term of less than two years for the transaction types mentioned above, and
- refinancings or acquisition financings of transactions that were previously financed during the construction phase under application of the Equator Principles.

At Commerzbank AG, these transactions are located in our corporate clients business. Each transaction that falls within the scope of the Equator Principles is assigned to one of the categories A, B*, B or C according to its potential ESG impacts and risks. The aim of categorisation is to identify the relevant ESG issues at an early stage and to assess appropriately the possible impacts of a project on environmental and social receptors before mitigation measures are applied. Category A indicates potentially significant impacts, while category C indicates low impacts. The assessment takes into account, among other aspects, impacts on workers and local communities (including resettlement and Indigenous peoples), biodiversity and ecosystem services, pollution, cultural heritage, climate risks and human rights.

The result of the categorisation determines the scope of the ESG due-diligence review. For all transactions – with the exception of category C – an ESG due-diligence review is carried out. Project information, ESG analyses and plans are reviewed to confirm that the transaction meets Commerzbank AG's requirements or to determine what additional measures are necessary to achieve this. For transactions in higher risk categories, an independent third-party review is also required. For category C transactions, the ESG standard requirements for compliance with local legislation are included in the financing agreement.

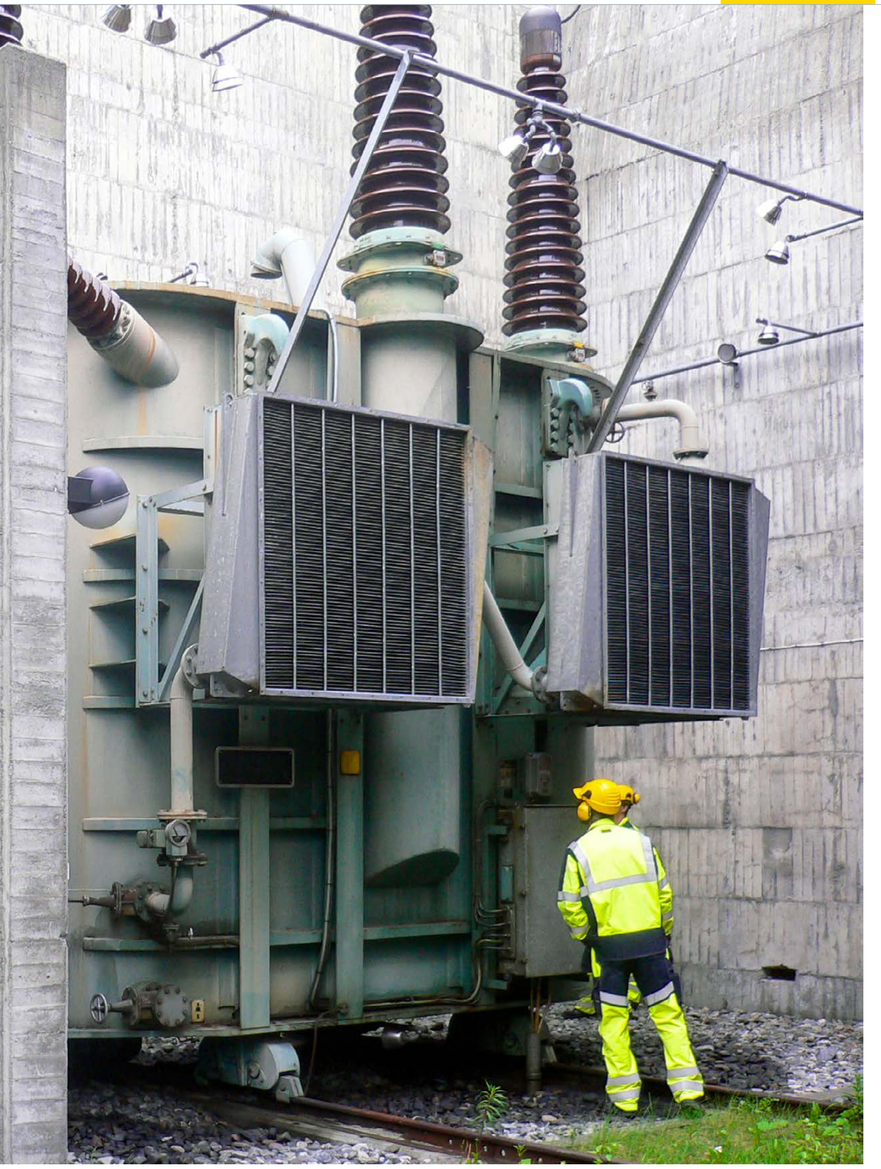
The requirements assessed as part of the ESG due diligence review include in particular the following elements:

- The presence of an appropriate Environmental and Social Impact Assessment (ESIA), which demonstrates that potential impacts of the project on environmental and social receptors have been systematically identified and assessed. The ESIA also defines suitable measures to avoid, mitigate and, where necessary, compensate for negative impacts.
- The planning and implementation of interactions with relevant stakeholders as well as the implementation of grievance mechanisms for higher-risk transactions.
- Organisational capacities, clear responsibilities and suitable systems for implementing ESG requirements, including ongoing monitoring.
- Clients carrying out projects outside OECD high-income countries are required to implement the ESG requirements of international frameworks (e.g. the IFC Performance Standards).

If deviations from the defined ESG requirements are identified during the ESG due diligence review, the required measures are summarised in an Environmental and Social Action Plan (ESAP).

Commerzbank monitors compliance with the ESG obligations identified in the ESG due-diligence review throughout the term of the financing. For transactions in higher risk categories, we require monitoring and regular reporting by an independent consultant.

The identified ESG obligations, including any required Environmental and Social Action Plans (ESAP) and monitoring requirements, are included in the financing agreement. The result of the ESG due diligence review is an EP vote confirming the transaction's compliance with Commerzbank AG's requirements.
A positive vote is a prerequisite for signing the financing agreement for all transactions that fall within the defined scope of the Equator Principles.



The ESG Vote structures the assessment and support of the climate transformation of our corporate clients.

Climate transformation of our corporate clients (ESG Vote)

Target E1

To achieve our SBTi-validated emissions-reduction targets in the corporate-client credit portfolio of Commerzbank AG, we established a **procedure for net-zero management (SBTi)** of the credit portfolio in the Corporate Clients segment in 2022, with the **ESG Vote** as the central instrument. This procedure has been continuously developed since 2022. From 2026, the obligation to conduct the ESG vote process will also be extended to the largest existing business engagements.

The aim of the ESG Vote is to systematically assess client relationships with regard to their compatibility with our emissions-reduction targets and to support the climate transformation of our clients in a structured manner.

The ESG Vote is applied to all new credit transactions[1] with companies from a total of nine greenhouse-gas-intensive sectors (energy, commercial real estate (commercial), commercial real estate (residential), cement, iron and steel, automotive, aviation, fossil fuels and chemicals), among other cases when they are subject to mandatory submission in one of the established approval processes for new business. In addition, the ESG Vote is used in the Corporate Clients segment as part of onboarding new clients in the sectors named.

Depending on the method applied, the ESG Vote procedure comprises a qualitative and a quantitative assessment and results in a structured classification of the client or property.
The qualitative assessment is based on ESG questionnaires and is used to assess the environmental aspects (e.g. emissions footprint, reduction targets, transition plan) of our clients in CO_2-intensive sectors. The assessment of the transition plan conducted as part of this process is incorporated into the customer's ESG Vote classification and supports the evaluation of the customer's alignment with Commerzbank's emissions reduction targets.
In addition, as part of the quantitative assessment for the sectors managed using the Sectoral Decarbonisation Approach (see ↘ page 25) – energy, commercial real estate, cement, iron and steel, automotive and aviation – we review whether the client's emissions intensity lies above, along or below the targeted CO_2 reduction path. For the sectors managed using the Temperature Rating Approach (see ↘ page 25) – fossil fuels and chemicals – the temperature rating is used instead for the quantitative assessment.

On the basis of the ESG Vote, appropriate approaches for client and portfolio management are derived. These include, among other things, client-specific advisory approaches, decisions on new transactions, and the establishment of new client relationships.

[1] For example transactions that are subject to the Inflow Steering Committee (ISC), a decision-making body of the Corporate Clients division.

Net-Zero portfolio 2050

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.

By

2050

We pursue the ambition of achieving net zero **financed CO_2 emissions** in our **loan and investment portfolio.**

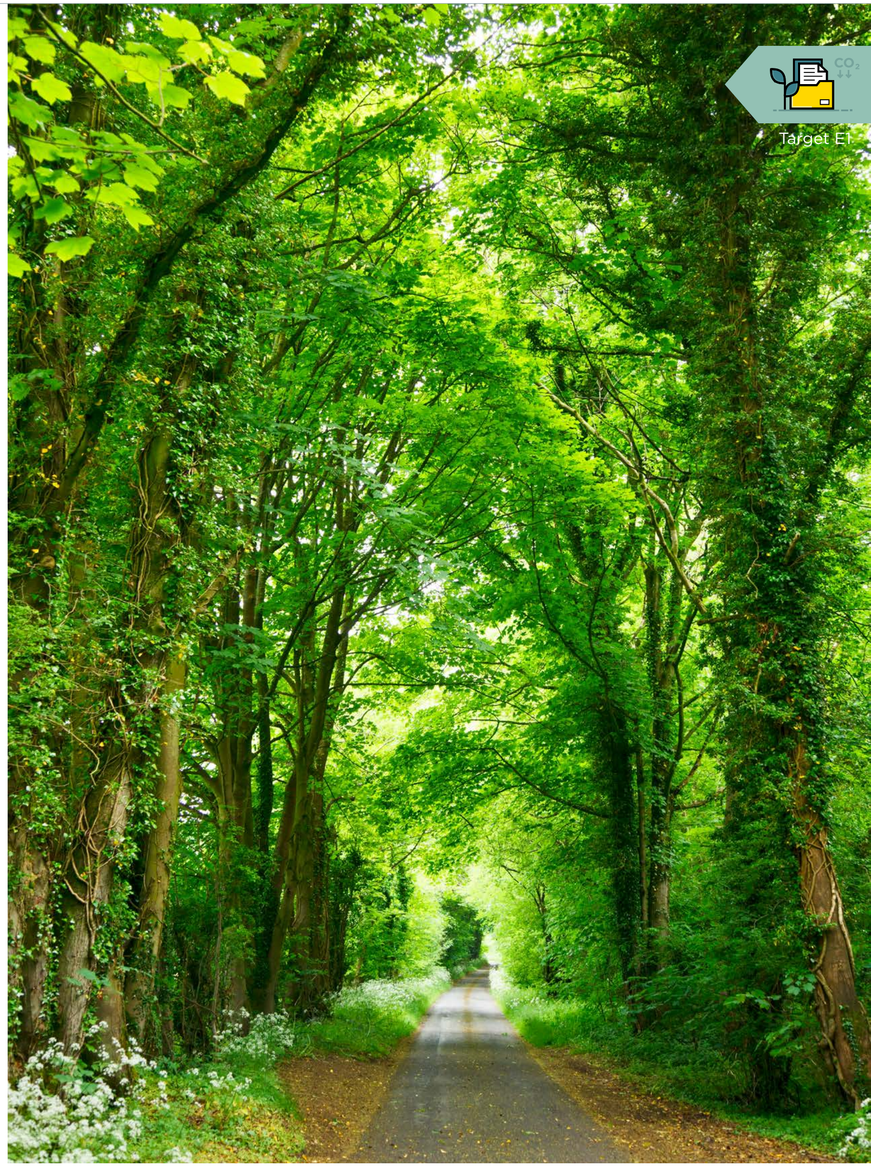
Commerzbank defines net zero by reference to the Science Based Targets initiative (SBTi) ↗ Financial Institutions Net-Zero Standard – however, the target itself is not validated by the SBTi.

The intended end state is for counterparties within the relevant portfolio to **achieve net-zero emissions by 2050**. This includes:

- reducing relevant Scope 1, Scope 2 and Scope 3 emissions to zero or to a remaining residual level,
- neutralising any remaining residual emissions by the respective counterparties.

Long-term portfolio alignment consists of aligning **at least 95% of the relevant financial activities** with counterparties that have achieved the required net-zero state.

Commerzbank does not currently plan to use offsets to achieve its ambition. The net-zero ambition was approved by the Bank's highest governing body.



Commerzbank's net-zero target includes aligning relevant financing activities with net zero by 2050.

Commerzbank's net-zero target covers the relevant loan and investment portfolios defined in accordance with the SBTi methodology.

Target E1

The **loan and investment portfolio** covered by Commerzbank's net-zero ambition is based on the portfolio boundary defined under the Science Based Targets initiative (SBTi) methodology[1]. The basis for calculation of financed emissions is the regulatory-relevant outstanding volume of on-balance sheet loan and investment transactions. The SBTi stipulates that all loans with drawdowns must be considered.

The scope does not include, for example, derivatives, off-balance-sheet credit lines, project finance outside renewable energy, sovereign and public finance, securitisations, trading-book exposures, facilitated emissions, client relationships with municipalities or federal states, or loans to private individuals for purposes other than residential mortgages. Commerzbank Asset Management activities are not included, as their inclusion is optional under the applicable SBTi methodology.

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 include SMEs in carbon-intensive sectors in our targets, where sufficiently reliable data are available. We are doing this on a voluntary basis to increase coverage further. The defined boundary covers 57% of Commerzbank Group's financed emissions as of 30 September 2025. This coverage metric is updated annually in the Group Sustainability Report.

[1] Commerzbank AG incl. subsidiaries Commerz Real AG, Commerz Factoring GmbH, Commerz Markets LLC, Commerzbank Zrt. Hungary, Commerzbank Finance & Covered Bond S.A., Commerzbank Brasil S.A. – Banco Multiple, Commerzbank (Eurasija AO) and Commerzbank's share in mBank. No geographic exclusions are applied within this defined portfolio boundary.

Three questions for Bettina Storck

Bettina Storck
Chief Sustainability Officer (CSO)

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

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

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 Paris Agreement 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 and a climate transition plan (see ↘ page 12). 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 for choosing a green mortgage (see ↘ page 50).

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.

→ Target E1

Implementation plan: Net-Zero Portfolio by 2050

Interim Targets 2026 and 2030

Commerzbank uses the ↗ Science Based Targets initiative (SBTi) and the scenarios of the ↗ International Energy Agency (IEA) as the methodological foundation for setting interim targets. The SBTi is committed to reducing greenhouse gas emissions based on science-based targets and offers a comprehensive methodology for aligning portfolios with decarbonisation targets in line with the Paris Agreement.

The IEA scenarios was applied for interim target setting for the first time in 2026 to ensure alignment with current market realities. The annual update cycle of the IEA scenarios allows to reflect developments in technology, regulation, energy markets and economic conditions. Particular focus is on the emission-intensive parts of the value chain, applying the Sectoral Decarbonisation Approach and for the rest of defined portfolio applying the Temperature Rating Approach.

The ↗ **Sectoral Decarbonization 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 CO_2e/m^2, kg CO_2e/kWh, or kg CO_2e/t cement.

Under the **Temperature Rating Approach (TRA)**, 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°C) indicates where a company is on the temperature pathway according to its tar-get – 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. Triggers for recalculation of interim targets and financed emissions are stated in the Group Sustainability Report.

The following sectors are covered by the SDA and respective portfolios by the TRA methodology:

Target E1

SBTi 1.5°C Energy	**SBTi 1.5°C** Iron and steel
SBTi 1.5°C Cement	**SBTi 1.8°C** Automotive
IEA ~1.5°C Residential mortgages	**IEA ~1.7°C** Aviation
SBTi TRA 1.5°C All Other Sectors Corporate Loans & Investments	**IEA ~1.7°C** Commercial real estate (commercial & residential use)

Target E1

Interim Targets under SDA

Commerzbank's **interim targets** 2030 were officially validated by the SBTi in March 2023 for the first time. The bank joined the internationally recognised ↗ Partnership for Carbon Accounting Financials (PCAF) in 2023 and calculated Commerzbank's financed emissions in line with the Standard for the first time in 2024. Accordingly, we adjusted our calculation method for interim target portfolio intensities.

As part of applying this standard, we recalculated the baseline for the starting year 2021 and determined new target values for 2030. The SBTi revalidated the adjusted interim targets successfully in 2025. For the energy, cement, iron and steel sectors, this is a pathway of 1.5°C. For the automotive sector, the target calculation is based on the 1.8°C scenario. The residential mortgage portfolio, which is not required under the SBTi framework, was excluded from the scope of the SBTi revalidation.

Nevertheless, a dedicated emissions reduction target for the residential mortgage portfolio has been in place since the beginning of 2026. This target is aligned with the IEA Net Zero Scenario (~1.5°C). In 2025, our portfolio steering indicated that a 1.5°C-aligned target for the commercial real estate and aviation portfolios is currently not considered achievable under prevailing decarbonisation rates and market conditions.

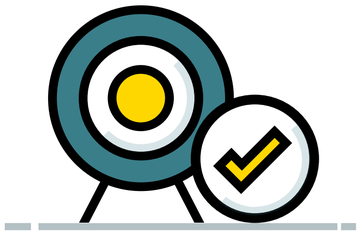
Therefore, Commerzbank introduced steering targets for these sectors in early 2026, aligned with the IEA Announced Pledges Scenario (~1.7°C). These targets combine an ambitious decarbonisation pathway with a steering approach that is considered operationally feasible under current market conditions. The validated SBTi targets for these portfolios will continue to be transparently presented as a 1.5°C reference. The steering targets form the operational basis for portfolio steering in the respective portfolios.

Interim Targets under TRA

For further 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 Rating Approach methodology, including the key sector of chemicals and fossil fuels.

The target year of SBTi validated Temperature Rating targets is 2026 and we will introduce new interim emission reduction targets for 2030 in 2026.

Commerzbank plans to establish a sector-specific carbon reduction target for the oil and gas portfolio in 2026. In addition, a coal phase-out commitment is already in place, with a target exit year of 2038.



Validated interim targets form the basis for portfolio steering through 2030.

Monitoring

Given the dynamic nature of banking portfolios over a 26-year time horizon, Commerzbank does not consider a static baseline established decades before the target year 2050 to be the most meaningful measure of progress towards its net-zero ambition. Over such a period, portfolio composition, business volumes, client structures and methodological approaches may change significantly. Progress is therefore assessed through the continuous measurement of financed emissions and the achievement of interim targets that guide the portfolio along its pathway towards net zero. Material changes to the ambition, interim targets, methodology, or portfolio scope are disclosed in Commerzbank's Group Sustainability Report.

Governance & Resources

The implementation of the net-zero ambition is integrated into Commerzbank's operating model and is not managed through a standalone transformation programme. Relevant activities are supported by a low double-digit number of employees with dedicated responsibilities for the implementation of the net-zero ambition across sustainability, risk management, corporate clients, private and small business customers, and data functions. These resources are considered sufficient to support the implementation plan. In addition, a significantly broader group of employees contributes to the delivery of net-zero ambition related activities as part of their regular business responsibilities and client engagement.

CapEx and OpEx indicators are not suitable for the banking sector and therefore are not applicable. Responsibility for implementation and oversight is embedded within Commerzbank's existing governance structure, see ↘ page 94. Resource deployment and implementation progress are monitored through regular capacity planning and management reporting processes.

Target E1

> “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)

Target E1

Measures

As a financial institution, Commerzbank's implementation plan differs from transition plans in the real economy. The achievement of the net-zero ambition is not primarily dependent on a predefined set of physical projects, but on the transition of counterparties within the portfolio and the ability to steer capital allocation and financing activities over time. Financed emissions reflect the emissions of the underlying counterparties and therefore depend to a significant extent on the transformation of clients.

Key influencing factors include technological developments, regulatory changes, economic developments, market and environmental conditions, data availability and client strategies. These factors are regularly assessed through Commerzbank's sustainability, risk management and transition planning processes and adjusted where necessary to reflect changed external conditions. Events that lead to a revision or review of the implementation plan are disclosed.

Where scientific insights, regulatory and methodological requirements, market conditions, technological progress, environmental changes, client strategies and data availability may negatively affect target achievement, we intend to define mitigation measures. We continuously develop our established steering framework to support the proactive identification of potential risks to target achievement and to enable the timely definition and implementation of appropriate mitigation and management actions where required.

In our assessment, a realistic implementation plan can only be developed with sufficient reliability for the short to medium term, as it is based on current assumptions and subject to considerable uncertainty. Actual developments may therefore differ from current expectations. Accordingly, the plan is structured into two parts: a detailed implementation plan up to 2030 and a longer-term framework for the period beyond 2030.

Measures up to 2030

The key levers include capital allocation (passive and active), client transition support through financing products and advisory services. These measures are supported by governance arrangements, forecasting activities, and escalation mechanisms that enable the identification and management of deviations from planned interim target trajectories. Steering options within the existing portfolio are influenced by the long-term nature of client relationships and existing exposures.

As a result, portfolio transformation and the associated reduction in financed emissions typically occur gradually through new business decisions, portfolio turnover and clients' transition progress. Commerzbank seeks to support client transitions through engagement, financing solutions and portfolio steering measures. Restrictions on business relationships are generally considered only where transition progress remains insufficient despite the application of relevant engagement and steering measures.

To monitor the SDA-related 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 regarding their respective degree of target achievement. Depending on the performance of the SDA portfolios, specific operational management options are defined with the business segments.

Next to the SDA portfolio steering an overarching portfolio management was also introduced for the TRA-related portfolios. It also allows to assess the TRA targets against tolerance corridors. Focus of the management options is to gather further real data of clients to reduce the usage of default 3.2°C values.

Target E1

Measures beyond 2030

In 2026, Commerzbank carried out a dedicated feasibility assessment (“Common Narrative”) to evaluate whether the long-term Net-Zero ambition can be considered realistic under currently available scientific, technological, economic and policy assumptions. Based on this analysis, Commerzbank considers its Net-Zero ambition achievable, while recognising the uncertainty inherent in long-term transition planning.

Beyond 2030, our implementation plan is intentionally designed as a dynamic framework rather than a fixed roadmap. We plan to progressively update our interim targets and the implementation plan based on the applicable scientific insights, regulatory and methodological requirements, market conditions, technological progress, environmental changes, client strategies and data availability.

These factors are reflected in our steering and monitoring approach. The development of new interim targets is intended to start sufficiently in advance of the end of the current target period, with the aim of communicating successor targets before the existing interim target expires. Interim targets typically cover a five- to ten-year timeframe. The key levers are expected to remain relevant beyond 2030.

Our Measures by 2030 to Achieve Target E1

Capital Allocation

Passive Steering

- Portfolio monitoring (quarterly)
- Annual target pathways (internal)
- Forecasting of target achievement
- Escalation framework
- Transition & physical risk trend monitoring

Capital Allocation

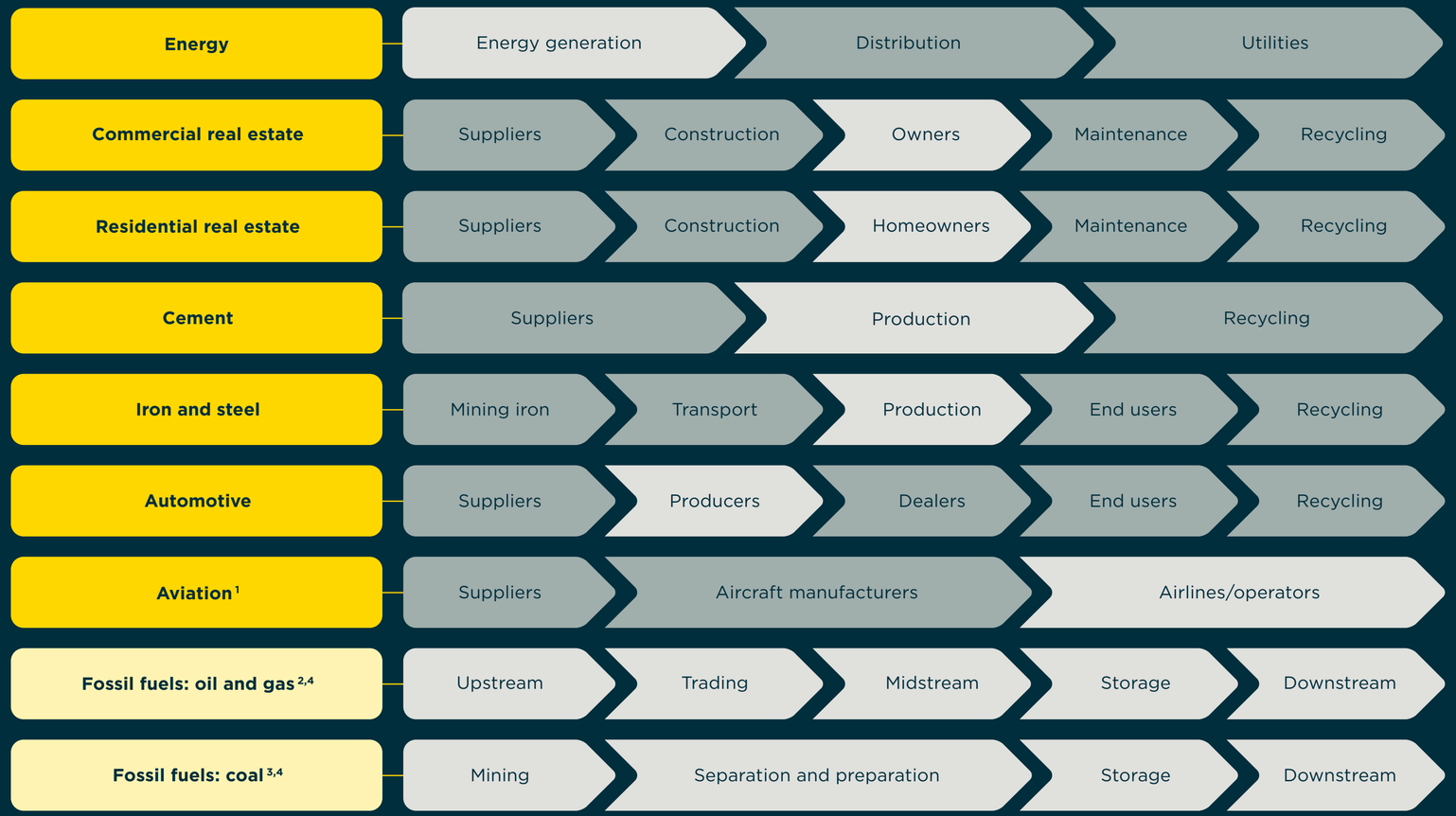
Active Allocation

- Classification of clients (ESG Vote) incl. business consequences
- Tailored transformation advice
- Client engagement dialogue
- Fossil fuel guideline
- Differentiated pricing models
- Sustainable Finance

Business Development

- Expansion of the Sustainable Finance product range

Value chain segments considered when setting targets 2030



[1] In the aviation sector, according to the SBTi definition, leasing companies focused on aircraft leasing are not considered.
[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] 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.
[4] The sector is currently included in the Temperature Score Methodology (see ↘ page 28).

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

Commerzbank's emissions reduction pathways

To enable the most precise steering in carbon-intensive sectors, the 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.

For all other corporate loan and investments in the economic sectors not covered by the SDA, including the carbon-intensive chemicals and fossil fuels sector, Commerzbank uses the Temperature Rating Approach 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 rating targets are calculated separately for the corporate loan and investment port-folios 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°C 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°C 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.

Energy

In this sector, de-fossilisation and **renewable energy generation** are the central building blocks of transition. As transport, buildings, and industry become increasingly electrified, their decarbonization depends heavily on a low-carbon power sector. Given the continued growth in electricity demand, following a Paris Agreement-aligned emissions intensity pathway is both ambitious and essential to enable economy-wide decarbonization well before 2050.

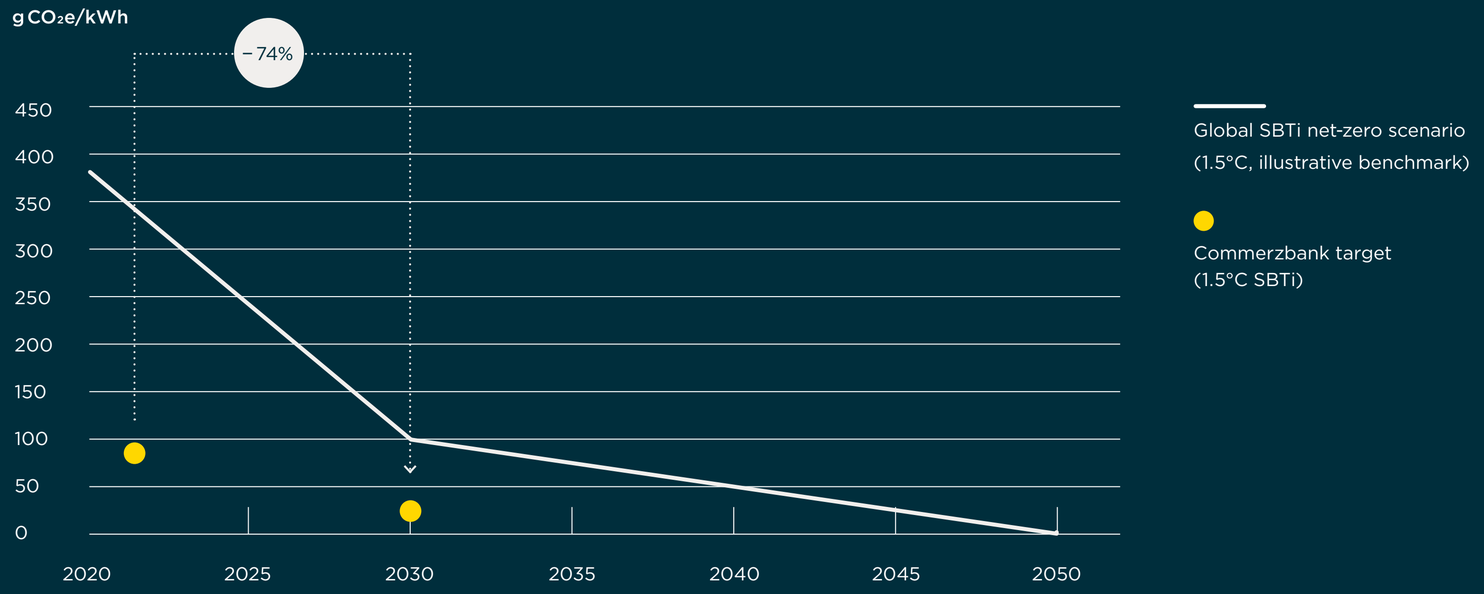
We have been increasing our investment in renewables for years. At the same time, we recognise that existing technologies also need to be developed as much as possible for the transformation. Our goal is to walk the transformation path alongside our clients and to help them achieve net-zero by 2050.

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 emission intensity is based on externally sourced data of production output and specific emissions. For the renewable project financing portfolio, we use internal information on the emission intensities of the technologies being financed.

Energy: Emissions intensity and targets 2030

Target E1



Commerzbank aims to reduce emission intensity (based on the baseline year 2021) in the energy sector by at least 74 percent to 25.6 g CO_2e/kilowatt hour (kWh) by 2030. The portfolio baseline is 97.3 g CO_2e/kWh. In the energy sector, we are aligned with the SBTi's 1.5-degree scenario (Revalidated by SBTi in 2025). The target is focused on Scope 1 emissions.

Commercial real estate

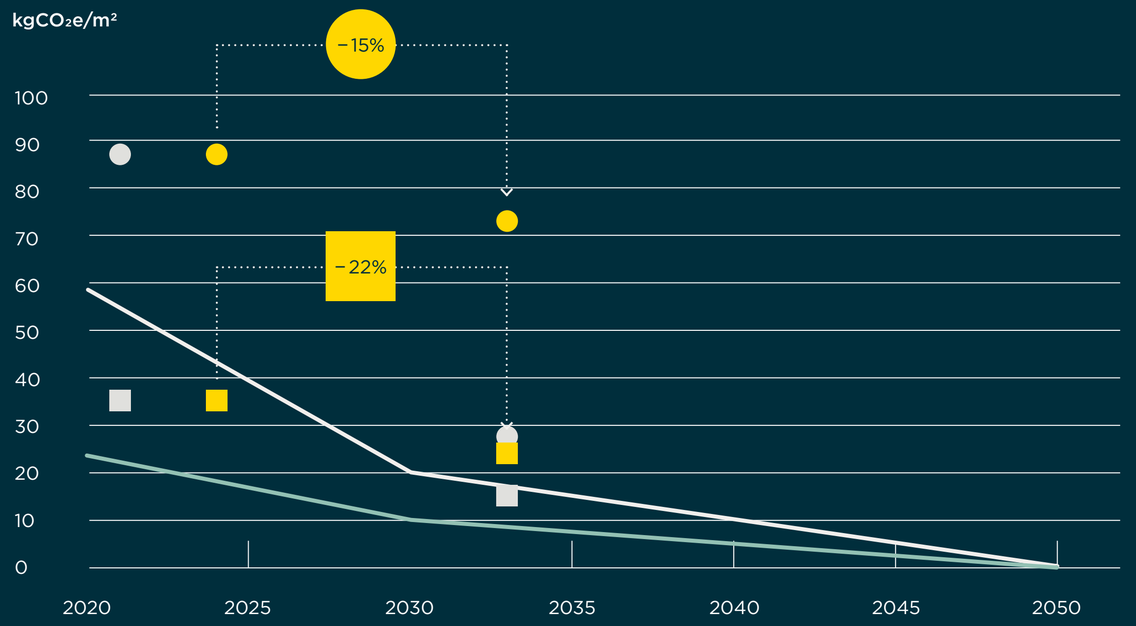
In this sector, **energy consumption including heating of buildings** is the most carbon-intensive part of the value chain today. Decarbonisation is highly dependent on political and technical conditions. It requires a fundamental transition in energy and heating systems. However, this transition in Germany has stalled due to complex political regulations and an increasing shortage of skilled workers.

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 emissions of commercial properties are significantly higher than those of residential properties. The respective parts of the portfolio are subject to different, separate decarbonisation paths.

In 2025, our portfolio steering indicated that a 1.5°C-aligned target for the commercial real estate portfolio is currently not considered achievable under prevailing decarbonisation rates and market conditions. Therefore, Commerzbank introduced steering targets for these sectors in early 2026, aligned with the IEA Announced Pledges Scenario (~1.7°C). These targets combine an ambitious decarbonisation pathway with a steering approach that is considered operationally feasible under current market conditions. The validated SBTi targets for the portfolio will continue to be transparently presented as a 1.5°C reference. The steering targets form the operational basis for portfolio steering.

Commercial properties: Emission intensity and targets 2030

Target E1



Commercial Use

Global SBTi net-zero scenario (1.5°C, illustrative benchmark)

Commerzbank steering target (1.7°C IEA APS)

Commerzbank SBTi reference point (1.5°C SBTi)

Residential Use

Global SBTi net-zero scenario (1.5°C, illustrative benchmark)

Commerzbank steering target (1.7°C IEA APS)

Commerzbank SBTi reference point (1.5°C SBTi)

Commerzbank aims to reduce emission intensity (baseline year 2024) in the commercial real estate sector (commercial use) by at least 15 percent to 73.9 kg CO_2e/m^2 and in the commercial real estate sector (residential use) by at least 22 percent to 27.8 kg CO_2e/m^2 by 2030. The portfolio baseline is 87.4 kg CO_2e/m^2 and 35.6 kg CO_2e/m^2. In the Commercial real estate sector, we are aligned with the IEA APS 1.7-degree scenario. The targets are focused on Scope 1 and 2 emissions.

The SBTi defines a 1.5-degree scenario for the commercial real estate sector. For Commerzbank, this resulted in a reduction of CO_2 intensity (2021 baseline year) by at least 67 percent to 28.4 kg CO_2e/m^2 by 2030 for Commercial Use. For the Residential Use, this resulted in a reduction of CO_2 intensity (2021 baseline year) by at least 57 percent to 15.8 kg CO_2e/m^2 by 2030 (Revalidated by SBTi in 2025).

Residential mortgages

Residential mortgages 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. In this sector, **energy consumption including heating of buildings** is the most carbon-intensive part of the value chain today.

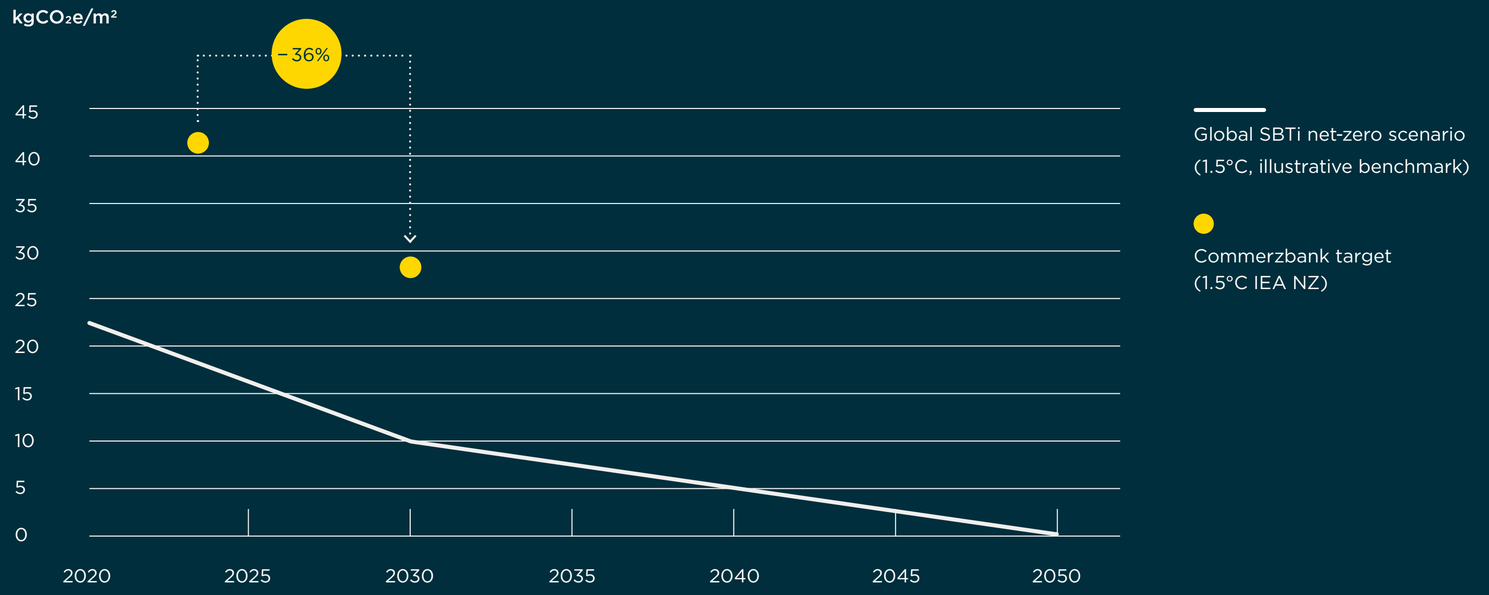
Regulatory measures such as carbon pricing and minimum energy consumption standards are creating pressure to reduce emissions in the building sector. To achieve this, a large proportion of the existing building stock will need to be modernised and converted to renewable energy for heating. Due to increasing 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.

Due to the political and economic conditions in the real estate market, the SBTi target for the residential mortgages was excluded from the scope of the SBTi revalidation in 2025. Commerzbank introduced a target for the sector in early 2026, aligned with the IEA Net Zero (NZ) Scenario (~1.5°C).

The initial calculation is based primarily on externally sourced, model-based emissions data. In 2025, real data were incorporated into the calculations. The measure 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.

Residential mortgages: Emission intensity and target 2030

Target E1



Commerzbank aims to reduce emission intensity (baseline year 2024) in the residential mortgages sector by at least 36 percent to 27.4 kg CO_2e/m^2 by 2030. The portfolio baseline is 42.6 kg CO_2e/m^2. In the residential mortgages sector, we are aligned with the IEA NZ 1.5-degree scenario. The target is focused on Scope 1 and 2 emissions.

In the residential mortgages sector, we were aligned with the 1.5-degree scenario of the SBTi. Our target was to reduce emissions in the residential mortgages sector by at least 57 percent (baseline year 2021) and to lower emission intensity to 19.8 $kgCO_2e/m^2$ by 2030.

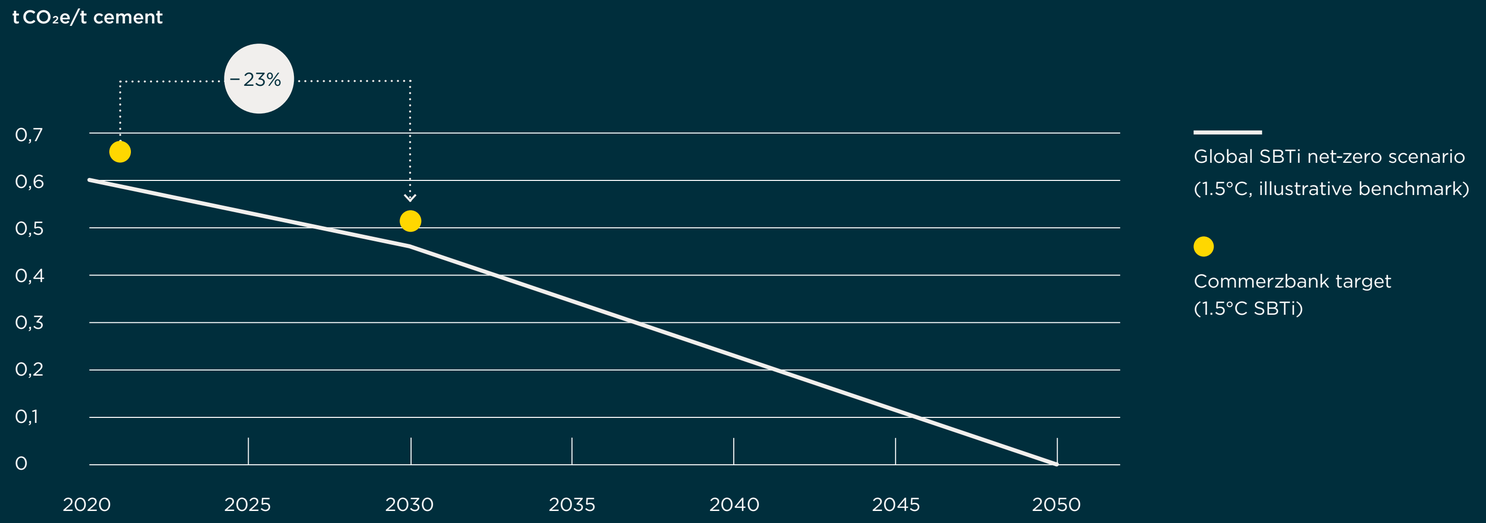
Cement

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 emissions.

Target E1

Cement: Emission intensity and targets 2030



Commerzbank aims to reduce carbon intensity (baseline year 2021) in the cement sector by at least 23 percent to 0.5 t CO_2e/t cement by 2030. The portfolio baseline of 0.7 t CO_2e/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 (Revalidated by SBTi in 2025). The target is focused on Scope 1 and 2 emissions.

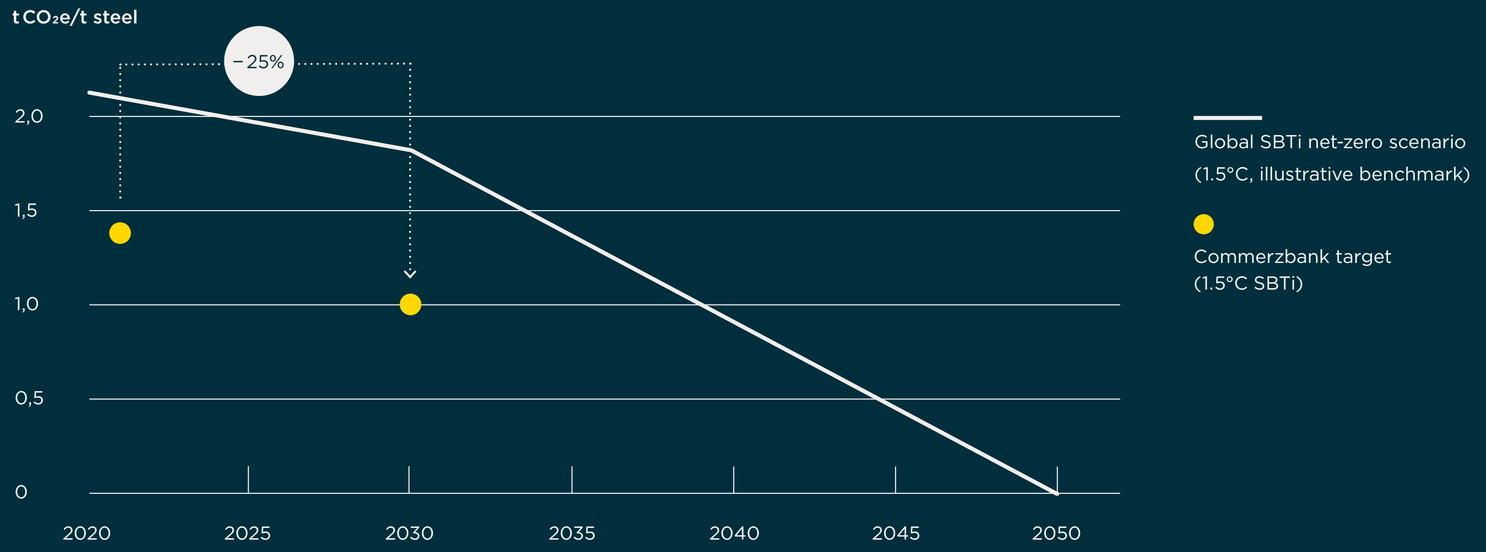
Iron and steel

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 transformation.

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

Target E1

Iron and steel: Emission intensity and targets 2030



Commerzbank aims to reduce carbon intensity (baseline year 2021) in the iron and steel sector by at least 25 percent to 1.0 t CO_2e/t steel by 2030. The portfolio baseline is 1.4 t CO_2e/t steel. For the iron and steel sector, the target path was updated in 2024 from 1.8°C to 1.5°C by 2030 (Revalidated by SBTi in 2025). The target is focused on Scope 1 and 2 emissions.

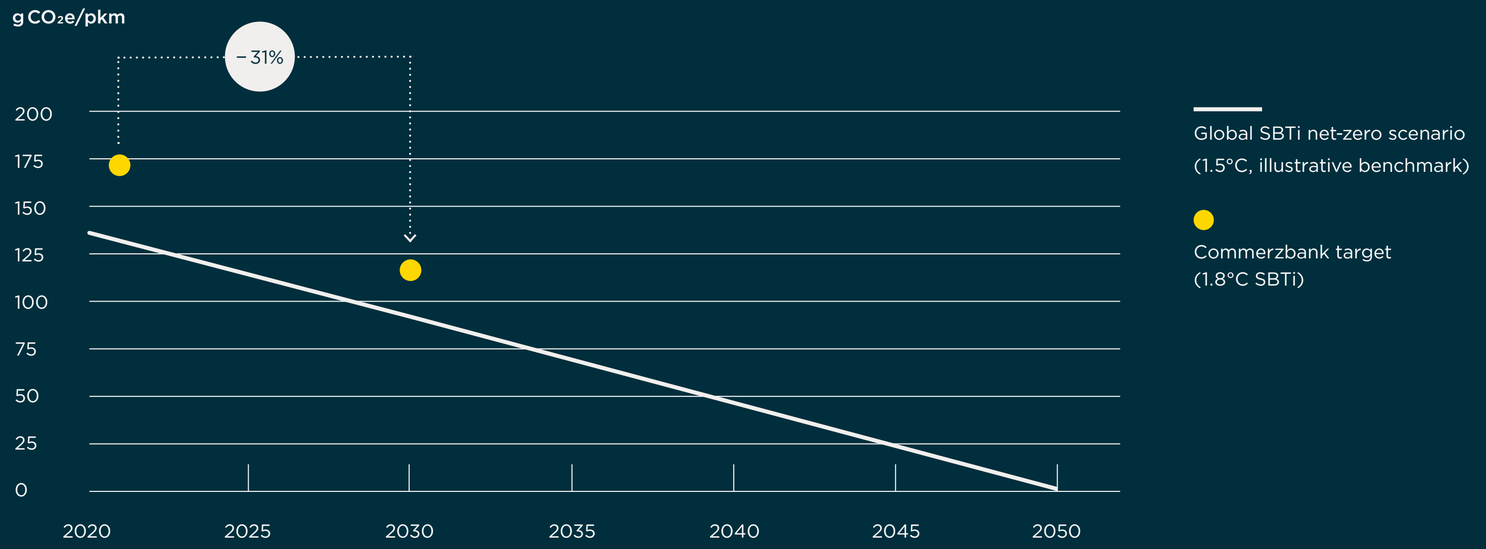
Automotive

In this sector **electric mobility** is central to achieving the Paris climate goals. The carbon emissions of the vehicles produced per kilometre travelled are considered, 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 emissions.

Target E1

Automotive: Emission intensity and target 2030



Commerzbank aims to reduce carbon intensity (baseline year 2021) in the automotive sector by at least 31 percent to 117.7 g CO_2e/pkm by 2030. The portfolio baseline is 171.5 g CO_2e/pkm. 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 scenario is available from the SBTi (Revalidated by SBTi in 2025). The target is focused on Scope 3 emissions.

Aviation

In this sector, the emissions of the **aircraft fleet per kilometre flown** are the most carbon-intensive part of the value chain, as it is the use of aircraft rather than their production that has the greatest impact on the climate. The focus of our target is on airlines and aircraft operators, as they decide on the technologies used to fly and therefore control the market.

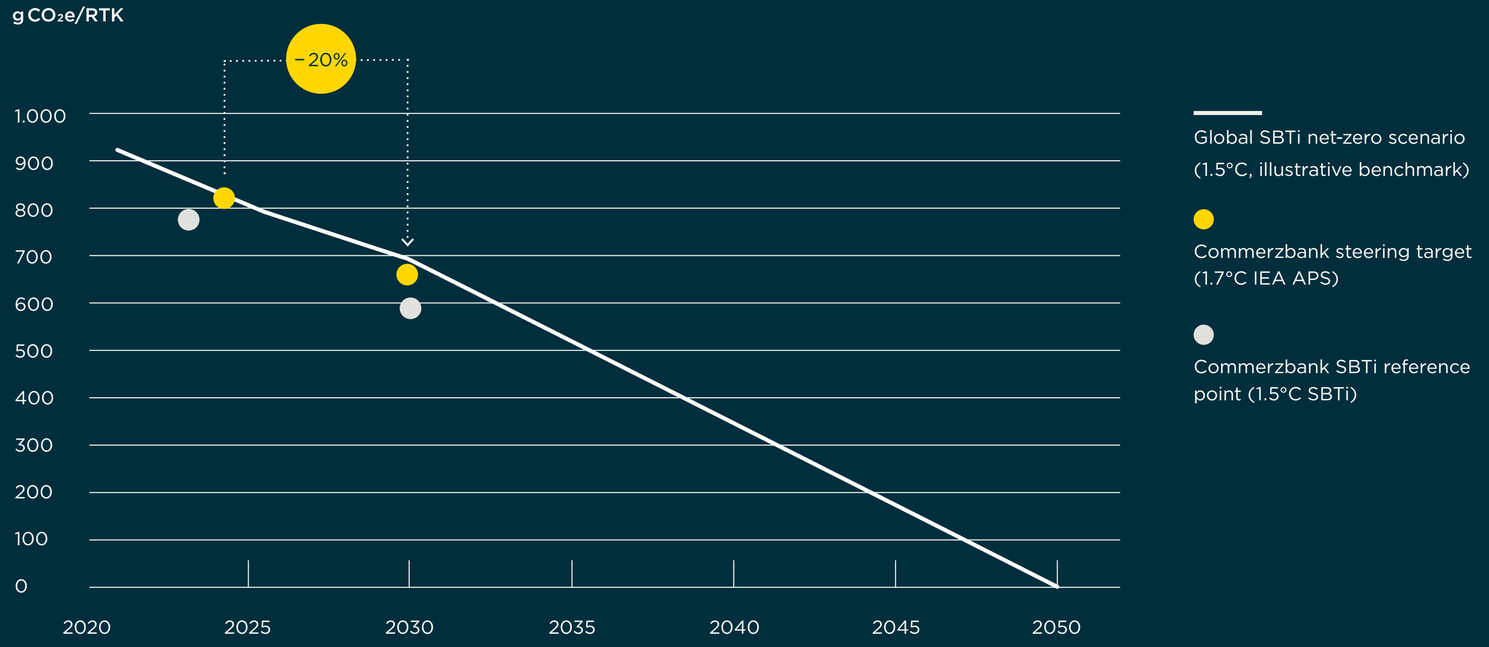
Key driver of decarbonization are a widespread adoption of **sustainable aviation fuels (SAF)**, supported by operational improvements and more fuel-efficient aircraft and engine technologies.

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

In 2025, our portfolio steering indicated that a 1.5°C-aligned target for the aviation portfolio is currently not considered achievable under prevailing decarbonisation rates and market conditions. Therefore, Commerzbank introduced a steering target for these sector in early 2026, aligned with the IEA Announced Pledges Scenario (~1.7°C). This target combines an ambitious decarbonisation pathway with a steering approach that is considered operationally feasible under current market conditions. The validated SBTi target for the portfolio will continue to be transparently presented as a 1.5°C reference. The steering target forms the operational basis for portfolio steering.

Aviation: Emission intensity and targets 2030

Target E1



Commerzbank aims to reduce emission intensity (baseline year 2024) in the aviation sector by at least 20 percent to 645.8 g CO_2e/RTK by 2030. The portfolio baseline is 810.3 g CO_2e/RTK. The target is focused on Scope 1 and 3 emissions.

The SBTi has raised the ambition level for the aviation sector to a 1.5-degree scenario. For Commerzbank, this resulted in a required reduction of emission intensity in the aviation sector (2023 baseline year) by at least 24 percent to 593.2 g CO_2e/RTK by 2030 (Revalidated by SBTi in 2025).

All Other Sectors Corporate Loans & Investments

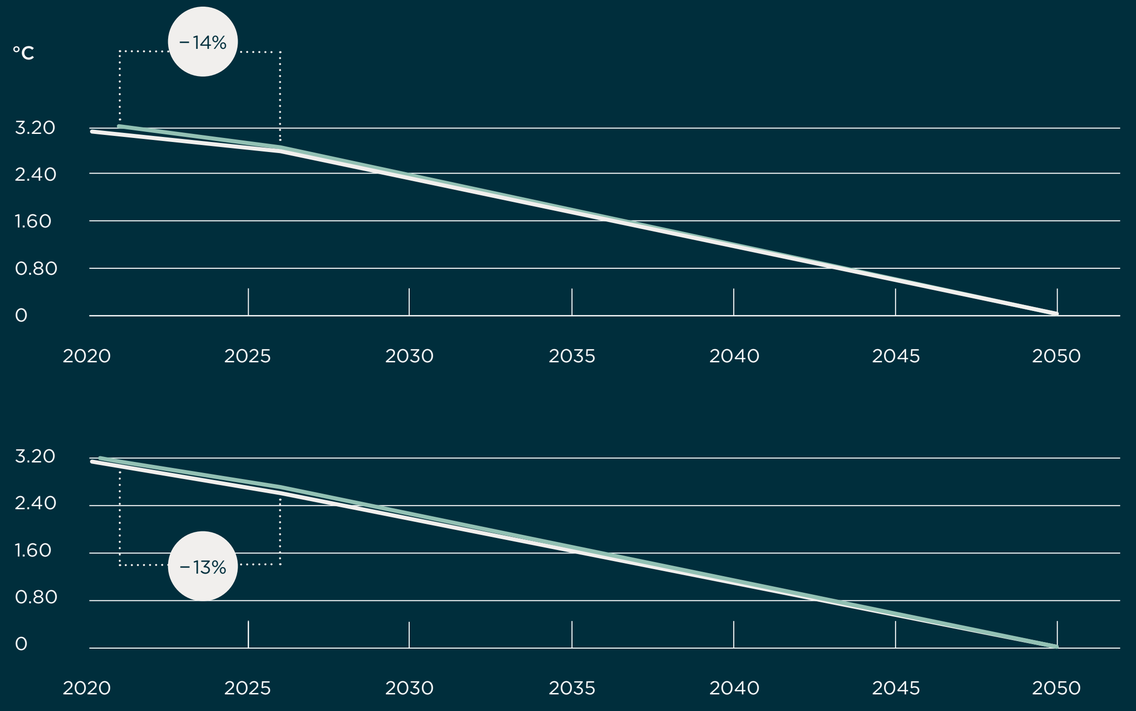
In this portfolios all other sectors are covered that are not part of any of the SDA sectors. The chemicals as well as the fossil fuels sector are included in the TRA portfolio. Commerzbank plans to establish a sector-specific carbon reduction target for the oil and gas sector in 2026.

The temperature score of the portfolios is based on the public emission reduction targets and emissions reporting of its borrowers. Therefore, the main lever to decarbonize both portfolios is to continuously improve the quality of the underlying data in line with the PCAF's data quality approach. This includes transitioning from proxy data to reported customer data.
The investment portfolio also includes utilisation of the Commerzbank AG stake in mBank.

Moreover, Commerzbank plans to introduce new interim emission reduction targets for 2030 in 2026.

Target E1

All Other Sectors Corporate Loans & Investments: Temperature scores and targets 2026



Corporate Loans

Commerzbank target S1+2 (1.5°C SBTi)

Commerzbank target S1+2+3 (1.5°C SBTi)

Investments

Commerzbank target S1+2 (1.5°C SBTi)

Commerzbank target S1+2+3 (1.5°C SBTi)

Commerzbank aims to reduce Temperature Score (baseline year 2021) in the Corporate Loans portfolio S1+2(+3) by at least 14 percent to 2.7°C by 2026. The portfolio baseline is 3.2°C and for S1+2 the baseline is 3.1°C (Revalidated by SBTi in 2025).

Commerzbank aims to reduce Temperature Score (baseline year 2021) in the Investments portfolio S1+2(+3) by at least 13 percent to 2.7°C by 2026. The portfolio baseline is 3.1°C and for S1+2 the baseline is 3.0°C (Revalidated by SBTi in 2025).

Sustainable Finance: Sustainability criteria as a high benchmark

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 58), bonds (see ↘ page 63), investment business (see ↘ page 64), pension provision, trade finance, own investments, own bond issuances and deposits (see ↘ page 69) 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.

Sustainable finance products are designed to support financing activities that meet defined sustainability criteria.

Target E2

→ Target E2

Implemention plan: 10% Sustainable Loans

Our goal is to permanently allocate at least 10 percent of Commerzbank AG's new loan business to "Sustainable Loans" (see ↘ page 46). This includes green and social projects and business models, as well as our clients' transformation measures. Our detailed, market-based and bank-specific criteria for classifying a loan as sustainable are set out in detail from ↘ page 46 onwards.

"New loans" are defined as all loan transactions with a change in loan conditions within the last 12 months (see ↘ page 46). In the Corporate Clients segment, "new loans" comprise both new agreements and extensions of existing contracts (prolongations). In the Private Clients segment, "new loans" refer exclusively to new agreements. We consider Commerzbank AG's total loan commitment, not the current utilization.

This goal applies to Commerzbank AG in both domestic and international markets. In the Corporate Clients segment, this includes Commerzbank AG's domestic and international locations. An overview of these locations is available ↗ here. In the Private and Small Business Clients segment, the target relates to our business in Germany. Business from the Trade Finance unit and off-balance-sheet transactions such as guarantees are excluded.

Trade Finance products are largely contingent liabilities rather than actual loan commitments and sustainable business in this area is not yet systematically identified or steered. Their inclusion would therefore neither accurately reflect the underlying business nor allow for systematic management of the target.

The Sustainable Loan Ratio is calculated by dividing our sustainable loan business by our total loan business in the respective reporting period. The target was set on the basis of forward-looking projections and assumptions consistent with those used for ongoing monitoring, is reviewed quarterly and applies on a rolling basis to the respective 12-month period.

Target E2

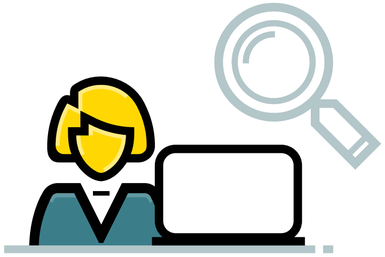
Governance, Monitoring & Reporting

To ensure that we achieve our target on an ongoing basis, regular internal monitoring is carried out and a respective internal reporting on management and Board level (from↘ page 95). Furthermore, we disclose current progress on the Sustainable Loan Ratio on a quarterly basis externally, as part of our quarterly results presentation and annually in our sustainability report under the Corporate Sustainability Reporting Directive (CSRD). As part of the CSRD report, the Sustainable Loan Ratio and the underlying data are subject to the external audit of our sustainability reporting. In the event of changes to the underlying methodology, data or calculation, our reporting will indicate whether the reported figures remain comparable with previously reported performance and, where this is not the case, explain the reasons.

Reporting is based on dedicated internal processes and a central data management system for Sustainable Loans. Classification is carried out partly automatically, based on predefined criteria, and partly through individual assessments. We have defined a dedicated process and control measures to ensure data quality. This process includes e.g. conservative risk adjustments in cases of uncertain data quality. For example, in the case of mortgages for energy efficiency buildings, the volume recognised in the numerator is reduced to account for efficiency improvements that are planned but may not be achieved.

The discount factor applied is derived from the historical deviation observed over a defined past period. To support timely intervention, predefined monitoring thresholds are applied, and a forward-looking multi year forecast is prepared at least every three years. This serves to verify long term target achievement and to identify potential risks to target achievement at an early stage. The forecast projects both sustainable loan volumes and total new loan volumes over the planning horizon, thereby estimating the expected Sustainable Loan Ratio for future reporting periods. The forecast incorporates our current and planned measures (such as our loan product pipeline, business planning assumptions and ESG data availability), as well as external factors (such as regulatory developments and client demand) and historical business development.

If a material deviation from the target is identified – either in the monitoring or in the forecast – an escalation process is initiated. Management then determines and implements appropriate mitigation actions and monitors their effectiveness. All current measures can be intensified or adjusted, and new measures can be developed as part of these additional actions. Taken together, these analyses provide management with a reasonable basis to expect that the implemented measures are sufficient to support achievement of the Sustainable Loan Ratio target under normal business conditions.



Clear governance supports the achievement of our target.

Responsibilities

The resources allocated to achieving this goal consist primarily of sales and advisory capacities. In particular, this includes the Competence Center for Green Infrastructure Finance (see ↘ page 58) as well as dedicated Sustainable Finance expert teams (see ↘ page 47) for the capital markets and SME business areas. They are supported by all other sales experts who offer Sustainable Loan products to clients. Group Sustainability Management is responsible for the internal management, monitoring and coordination of the target, and for defining standards and control processes for Sustainable Finance.

The Corporate Clients and Private and Small Business Clients segments are responsible for the measured described below – except the topic of ESG data, which is in the responsibility of Group Sustainability Management. ESG Central Data Management is responsible for the central data management system for Sustainable Loans, including the technical classification as well as the related processes and control measures to ensure data quality. All relevant resources consist primarily of personnel capacities and expertise embedded in the Bank's existing operating model. Their adequacy is assessed as part of the Bank's regular planning and governance processes.

Measures

Target E2

We are aware that the Sustainable Loan Ratio may be affected by external influences such as client behavior, regulatory developments, market conditions, technological progress and ESG data availability. These influences are reflected in our forecast process. Where they may negatively affect target achievement, we define and implement appropriate mitigation measures, including adjustments to sales initiatives, advisory activities, product offerings and ESG data process. We use a range of measures to steer our Sustainable Loan business in our Private and Small Business Clients Segment and our Corporate Client Segment (see below). Our general loan business is not directly used to steer the Sustainable Loan Ratio, even though our exclusion criteria may have a long-term impact.

Our Measures to Achieve Target E2

Sustainable Products
We offer a wide range of sustainable products that are tailored to our customers' needs and continuously further develop these products (from ↘ page 48).

Sales Initiatives
We have launched specific sales initiatives to promote sustainable loans, for example adjusted mortgage pricing for private buildings with high energy efficiency or pricing linked to the achievement of defined ESG-related KPIs.

ESG Data
An important prerequisite for classifying a loan as sustainable is the availability of the necessary ESG data. We are actively working to improve data availability, e.g. by analysing the CSRD reports of our customers, so that we can better understand and appropriately classify our loan portfolio.

Sales Teams
We have established several dedicated Sustainable Finance expert teams that advise our clients on a daily basis. In addition, we provide Sustainable Finance training to all Relationship Managers to support them in promoting sustainable loans.

Customer Transformation
A core element of our objective is to support the broader transformation of our customers. This is reflected in their Temperature Scores and Taxonomy Quotas, which form part of our Sustainable Loan definition. Through our advisory services and products, we indirectly support the transformation of our clients.

Sustainability in the loan business

With its sustainable loan business, Commerzbank AG 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 business[1] as sustainable loans in the long term.

To support the further development of its sustainable finance business, Commerzbank AG has set itself the goal of granting at least 10 percent of its new loan business[1] as sustainable loans in the long term.

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

Target E2

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.

[1] 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.

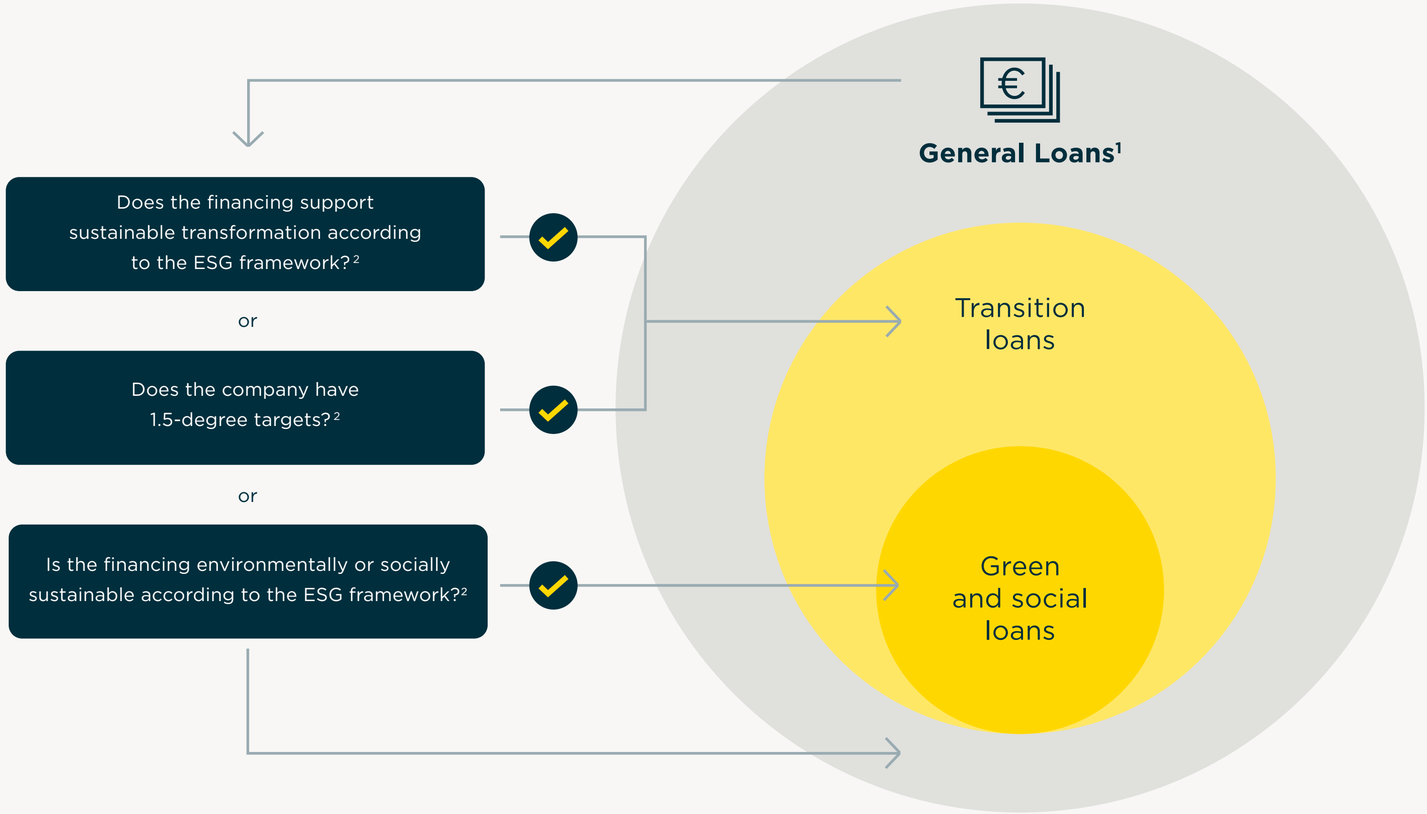
To clearly define which commitments meet our sustainability requirements and can therefore be categorised as sustainable loans (green, social or transition loans), we have developed a transparent assessment scheme and our own criteria.

Commerzbank AG 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 58) and green building financing (see ↘ page 60).

In our corporate client business, we also offer products that may include ESG components (e.g. corporate loans, see ↘ page 69). 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

Target E2



Sustainable loans

[1] Our criteria for General Finance (including general loans) are set out on ↘ page 16.
[2] The assessment steps are detailed on ↘ page 48.

Target E2

Green and social loans

Commerzbank AG 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 AG 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 pass the ESG standards assessment process for General Finance are considered here.

[1] The review logic for companies is currently only applied to corporate financing under the CoC Green Infrastructure Finance and ESG-Zukunftsfinanzierung (see ↘ page 58), which are categorized as either green loan or transition 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 ustainable 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 56), 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 56), 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 and non-motorised technologies**	Green	Electric and hydrogen vehicles for ground (rail/road), air or water | non-motorised vehicles for ground, air, or water, such as bicycles
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 56), 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 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 56), 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 56), 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, repairability, 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 refurbishment**[1]	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	**Recycling**[1]	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 49). 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 49) or by linking the borrower to a sustainability goal (sustainability-linked, transition loan).

With **CoC Green Infrastructure Finance** Commerzbank is pooling its expertise, which has been built up since the 1980s, and is **actively enganging in financing renewable energy**.

Loan products for our corporate clients

Target E1

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 (see ↘ page 47). 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).

The **ESG-Zukunftsfinanzierung** offers customized financing solutions for young, emerging companies that already have an advanced business model in the ESG area. It allows for earlier access to debt capital than with classic bank financing, to promote general corporate goals such as growth and internationalization. As the company is considered sustainable due to its business model as a whole, all loans granted to it are classified as Sustainable Loans (↗ ESG-Zukunftsfinanzierung).

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.

Financing wind energy projects supports the transition to a more low-emission economy.

Target E1

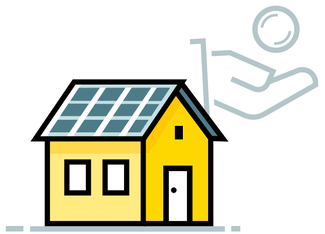
Loan products for our private and small-business customers:

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 and 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 maximum 100 kWh per square meter and year of floor space are classified as transition loans (↗ Nachhaltige Baufinanzierung).

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. This includes, in particular, investments in facilities for the generation of electricity and heat from renewable energy sources as well as for hydrogen production, the energy-efficient refurbishment of commercially used non-residential buildings to KfW Efficiency House standards for existing buildings, as well as the acquisition of electric and hydrogen-powered vehicles and the construction or acquisition of corresponding charging infrastructure.

The **Green Mobility Loan** (transition loan), also referred to as Klimakredit, is a purpose-bound instalment loan for private customers. It serves to finance selected use-of-proceeds categories in the field of e-mobility. This includes, in particular, the acquisition of low-carbon movable assets such as microcars, bicycles, electric cars, e-bikes or e-scooters, as well as the acquisition of charging infrastructure for electric vehicles, such as charging stations.

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. This includes, in particular, measures to optimise the building envelope, to modernise and/or optimise heating systems, as well as photovoltaic installations on existing properties. In addition, selected biodiversity measures are taken into account.



Since 2025, the **Sanierungskredit** has been promoting measures to increase energy efficiency of properties.

"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. The programme names used below follow the terminology of the funding institution. 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), the ↗ LfA Förderbank Bayern (LfA), the ↗ Landeskreditbank Baden-Württemberg – Förderbank (L-Bank) and the ↗ Promotional bank for North Rhine-Westphalia (NRW.Bank) are classified as sustainable products at Commerzbank. The programme names used below follow the terminology of the respective funding institutions.

- “Life in the countryside – Rentenbank” (LRB 249, 250)
- “Energy from the countryside – Rentenbank” (LRB 255, 256)
- “NRW.BANK.efficiency loans”
- “NRW.BANK.infrastructure”
- “LfA energy loan – production” (EK5)
- “LfA energy loan – renewable” (ER5, ER6, ER7)
- “L-Bank energy financing”

Target E1

Buildings that are renovated to be more energy efficient receive support through public funding programmes.

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

Sustainable bonds are capital market instruments that either provide for a dedicated use of proceeds for eligible sustainable projects or whose financial or structural characteristics are linked to the achievement of defined sustainability targets. Commerzbank supports issuers and investors in structuring, marketing, and executing such bond transactions, as well as through market analyses and regulatory advisory ↗ 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.

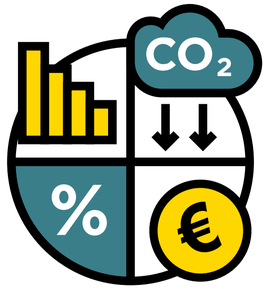
Target E1

Commerzbank supports sustainable financing, in particular in the field of renewable energy, through sustainable bonds.

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.

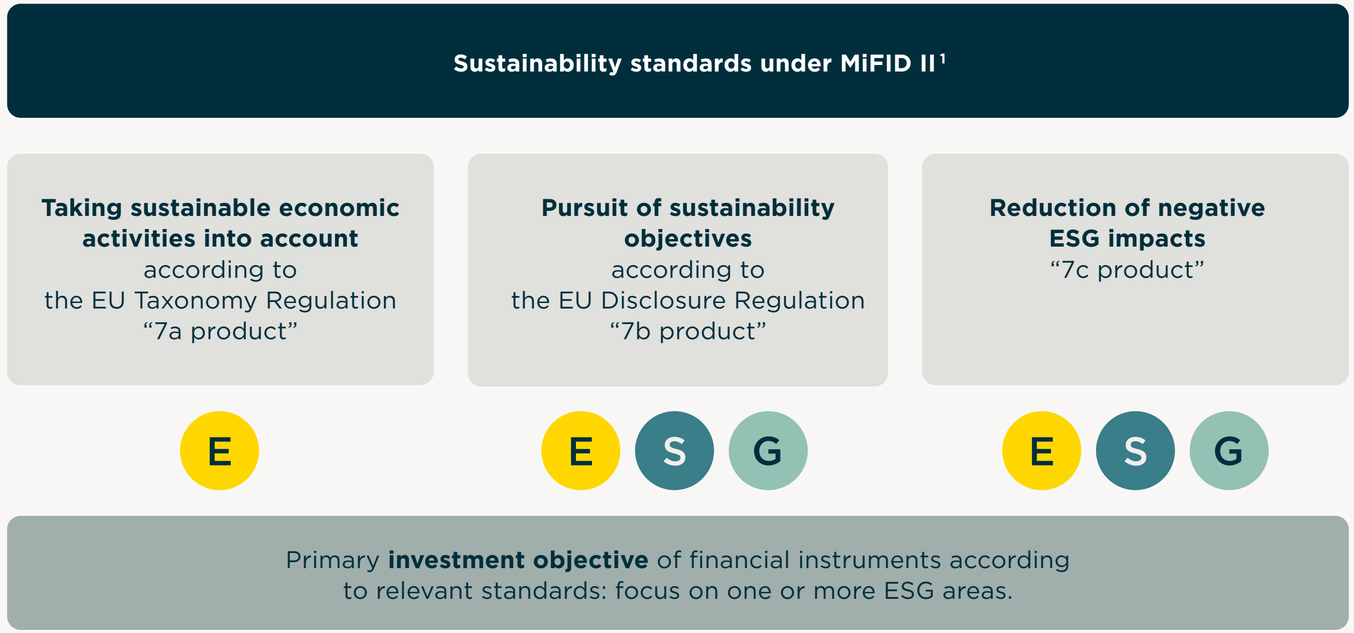
b. Pursuit of sustainability objectives
This standard applies to financial instruments that pursue sustainability objectives as defined by the EU Disclosure Regulation. A sustainable investment must aim for at least one environmental or social objective, must not significantly compromise any of the other 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



[1] Art. 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.

Consideration of sustainability criteria in investment products

Asset Management of Commerzbank AG
In addition to conventionally managed mandates, asset management includes those in which sustainability criteria are taken into account in the management of the portfolio.

- One of our lines with a dedicated ESG strategy is **“Asset Management Sustainability”**. With its investments, Asset Management Sustainability adheres to minimum shares of sustainable economic activities in accordance with the EU Taxonomy 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

Fund solutions of the asset management of Commerzbank AG

- **The Commerzbank Endowment Funds** aim to achieve long-term capital growth, taking into account social, environmental and corporate governance investment criteria (ESG criteria). By taking into consideration the ESG rating and applying ex clusion criteria, endowment funds seek to reduce negative en vironmental, social and corporate governance impacts. The “Commerzbank Endowment Funds” is geared towards clients with sustainability preferences in accordance with MiFID II Art. 7c
- The **CBK Euro Sovereign Plus Bond Selection** and the **CBK Euro Corporate Bond Selection** are actively managed bond funds in which the asset management acts as an advisor. Both funds pursue a quantamental investment approach and take ESG criteria into account, including minimum ESG requirements for issuers. While the sovereign fund invests primarily in European sovereign and government-related bonds, the corporate fund focuses on investment-grade corporate bonds. The funds are available in share classes for private and institutional investors. The “CBK Euro Sovereign Plus Bond Selection” and the CBK Euro Corporate Bond Selection are geared towards clients with sustainability preferences in accordance with MiFID II Art. 7c

Asset management of comdirect – a brand of Commerzbank AG
cominvest green is an investment strategy within the digital asset management (robo-advisor) offered by comdirect. The portfolios of the strategy systematically take environmental and social criteria into account in the investment process and are classified as financial products in accordance with Art. 8 of the EU Disclosure Regulation (SFDR). The underlying exchange traded funds (ETFs) are selected in accordance with sustainability criteria with the aim of reducing or limiting material adverse impacts on sustainability factors (Principal Adverse Impacts – PAI). The design of the strategy makes it possible to take the sustainability preferences of clients as part of the suitability assessment in accordance with MiFID II into account, in particular with regard to the consideration of PAIs (sustainability preference pursuant to MiFID II Art. 7c).

Securities advisory of Commerzbank AG
As part of Commerzbank's securities advisory services, the products can meet one or more of the three sustainability standards under MiFID II (see ↘ page 65) and thus criteria from the areas of environmental, social and good corporate governance.

money mate – the modern form of investment
money mate is an investment solution from Commerzbank for private investors. Depending on the individual risk profile, investors can choose between four investment funds. As part of the investment strategy, sustainability criteria are taken into account when selecting investments. The money mate portfolios managed by Allianz Global Investors are classified in accordance with MiFID II Art. 7 a, b or c.

Funds of Commerz Real & Aquila Capital Investment Company
The following asset management profiles are managed in accordance with sustainability criteria and can be assigned to sustainability preferences (see ↘ page 65):

- **klimaVest** is a European Long-Term Investment Fund (ELTIF) managed by Commerz Real Fund Management S.à r.l. It provides private investors with access to infrastructure investments in the energy transition, such as photovoltaics and wind power (onshore and offshore). In doing so, klimaVest takes into account sustainable economic activities in accordance with the EU Taxonomy Regulation, pursues sustainability goals and reduces adverse ESG impacts (sustainability preferences in accordance with MiFID II Art. 7a–c).
- **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 CO_2 emissions as defined in Article 8 of the EU Disclosure Regulation. In doing so, hausInvest takes into account sustainable economic activities in accordance with the EU Taxonomy Regulation and pursues sustainability goals (sustainability preferences in accordance with MiFID II Art. 7a and b).
- The **infraVest** is an infrastructure investment fund of Commerz Real AG for private investors. The fund invests in tangible infrastructure projects on a long-term basis, especially in the areas of transport, energy, communications, utilities and social infrastructure, with a focus on Germany and Europe. The infraVest is structured as an ELTIF (European Long Term Investment Fund) and provides private investors with regulated access to infrastructure investments. In doing so, the infraVest takes into account sustainable economic activities in accordance with the EU Taxonomy Regulation, pursues sustainability goals and reduces adverse ESG impacts (sustainability preferences in accordance with MiFID II Art. 7a–c).
- **AC One Planet** is a European Long-Term Investment Fund (ELTIF) managed by Aquila Capital Investment Company that invests in renewable energies and essential infrastructure. Its broadly diversified portfolio combines photovoltaics, wind power, hydropower, energy efficiency projects and large-scale battery storage in one fund. In doing so, AC One Planet takes into account sustainable economic activities in accordance with the EU Taxonomy Regulation, pursues sustainability goals and reduces adverse ESG impacts (sustainability preferences in accordance with MiFID II Art. 7a–c).

Investments in real estate, renewable energies and infrastructure

Consideration of ESG criteria in pension products

Commerzbank AG brokers pension products exclusively for Allianz Lebensversicherungs-AG, which provides information about its strategies for integrating ESG criteria into its investment decision-making processes on its ↗ website. Allianz Lebensversicherungs-AG's ESG strategy "combines long-term economic value creation with a concept of social responsibility, environmental commitment and good corporate governance".

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 2025, 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.

Special Use of Customer Funds

Target E1

Commerzbank uses the deposits held in the Sparkonto Plus exclusively to finance residential buildings that meet the criteria set out in the EU Taxonomy Regulation (as of August 2024). This means that the deposits held in Sparkonto Plus accounts are matched by a corresponding volume of loans financing energy-efficient residential buildings.

The following energy efficiency criteria apply to the financed residential buildings:

- Residential buildings constructed before 31 December 2020 that either achieve at least Energy Performance Certificate (EPC) Class A or belong to the top 15% most energy-efficient buildings in Germany. According to the Drees & Sommer study (as of August 2026), a building qualifies as belonging to the top 15% if its primary energy demand value or primary energy consumption is below 74 kWh/m² per year, its final energy demand is below 69 kWh/m² per year, or its final energy consumption is below 70 kWh/m² per year.
- Residential buildings constructed on or after 31 December 2020 that demonstrate a primary energy demand at least 10% lower than the threshold applicable to nearly zero-energy buildings under the German Building Energy Act (Gebäudeenergiegesetz, GEG). Buildings with a gross floor area exceeding 5,000 m² are excluded.

Compliance with the above criteria governing the use of deposits in the Sparkonto Plus is verified annually by an independent third party and disclosed by Commerzbank.

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.

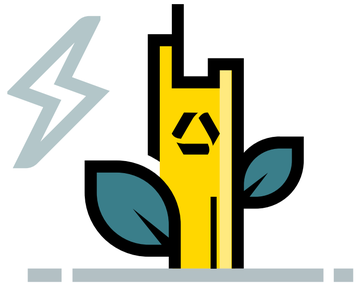
To comply with the German Energy Services Act and the Energy Efficiency Act Commerzbank operates an integrated environmental and energy management system (iUEMS) in accordance with ↗ ISO 14001 and ↗ ISO 50001. An overview of the locations included in the iUEMS can be found in the current certificates, which are available in the Environmental Management section of our ↗ website.

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.

Emission reduction

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 have set a GHG reduction target for banking operations for Commerzbank AG and selected subsidiaries in accordance with the SBTi. It envisages a 42% reduction in Scope 1 and Scope 2 emissions (market-related) by 2030 compared to the base year 2021. This target has been validated by the SBTi as science-based, consistent with the Paris climate goals and with limiting global warming to 1.5°C.



Our environmental and energy management system is certified according to ↗ ISO 14001 and ↗ ISO 50001.

Mobility

We aim to contribute to sustainable development through targeted mobility measures. Our employees' journeys contribute to CO_2e emissions in the working environment. That is why Commerzbank provides offers that open up additional opportunities for employees to commute to work and work-related trips. These include bicycle services, public transport and vehicles with electric drives.

→ Target E3

Implemention plan: Net-Zero Banking Operations

We are committed to reducing CO_2e emissions in our own banking operations to net zero by 2040. This commitment covers Scope 1 and 2 emissions at all Commerzbank AG locations worldwide. An overview of these locations is available ↗ here. Commerzbank AG defines its strategic net zero target in line with the ESRS: the highest possible reduction in GHG emissions (minus 90 to minus 95%) and compensation for the unavoidable remaining emissions. Accordingly, a reduction in Scope 1 and Scope 2 emissions (market-related) of 42% by 2030 and 90% by 2040 compared to the base year 2021 of ~35,000 tCO_2e is planned. This is in line with the emission reduction pathways defined by the Science Based Targets Initiative.

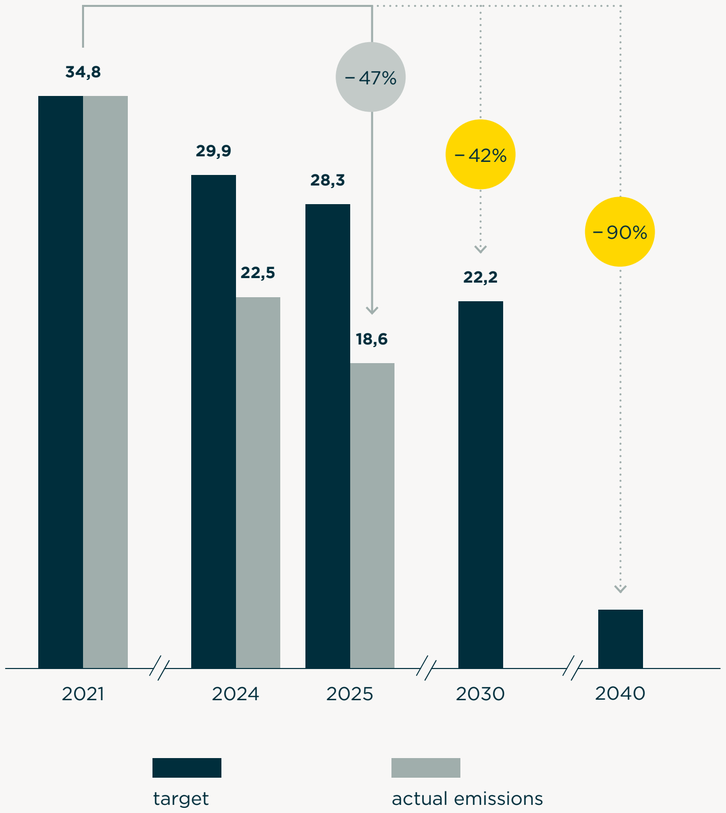
Commerzbank calculates its greenhouse gas emissions (GHG) according to the standard developed by the Association for Environmental Management and Sustainability in Financial Institutions (VfU). This is based on international standards for environmental and climate reporting such as the Greenhouse Gas (GHG) Protocol, the Carbon Disclosure Project (CDP) and the Global Reporting Initiative (GRI). Emissions are calculated in CO_2 equivalents (CO_2e). To calculate the CO_2e footprint, the consumption for the respective categories is first determined and converted into CO_2e using defined conversion factors. The majority of emission factors are applied from the EcoInvent database, one of the world's largest databases in the field of environmental accounting. The emission factors taken from the database are supplemented by official country-specific emission factors from the International Energy Agency (IEA). As a result, all CO_2e of the individual categories are aggregated. This methodology has been applied constantly to ensure comparability of the yearly progress. Where changes in the methodology or data occur, we disclose these changes and their impact on the comparability of the reported figures. An explanation of the scopes can be found on ↘ page 13.

Responsibility & Resources

The Eco & Energy Management Team within Group Management, Organisation & Security provides the personnel and technical expertise required to plan, manage, and monitor the Net Zero target pathway through 2040. Responsibility for implementing individual measures is assigned to the relevant functions or organisational units. The Eco & Energy Management Team is further responsible for coordinating the annual collection of emissions data and for monitoring progress against the defined targets.

The implementation of the measures required to achieve the Net Zero target pathway is supported by appropriate financial and human resources. The necessary funding is considered within the Bank's regular financial planning and budgeting processes, and the required personnel capacities and expertise are allocated to ensure effective implementation and monitoring of progress.

Target E3



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

Target E3

Governance, Monitoring & Reporting

Sine 2009 we have implemented an environmental management system certified in accordance with ↗ ISO 14001, which was expanded in 2015 to include an energy management system in accordance with ↗ ISO 50001 and continues as an integrated environmental and energy management system (iUEMS). It comprises the headquarters in Frankfurt am Main, all German locations and currently twelve subsidiaries of Commerzbank.

It is based on the environmental and energy policy anchored in the ↗ Environmental Guidelines, as well as clearly defined responsibilities and reporting lines. Through regular reviews, the iUEMS also supports the identification and management of risks associated with the proposed measures in accordance with ↗ ISO 14001 and ↗ ISO 50001, as well as the derivation of appropriate preventive actions.

We have the continuous improvement of our environmental and energy performance as well as the collection of consumption data and the calculated CO_2e emissions verified by third parties based on annual certifications. Progress is published annually in the ESG framework (↘ page 70) and in the sustainability report.

Measures

We have identified key decarbonisation levers for reducing our emissions in our own operations. These measures form the basis of our transition pathway towards Net Zero and are expected to reduce operational emissions from approximately 18.600 tCO_2e in 2025 to 3.500 tCO_2e by 2040. Together, the assessed decarbonisation levers provide the foundation for a credible pathway towards our Net Zero target by 2040. The underlying assumptions and reduction potentials are regularly reviewed and refined.

In order to fully reach Net Zero GHG emissions in 2040, carbon credits that remove GHG emissions from the atmosphere outside of Commerzbank's value chain, equivalent to the residual unavoidable emissions of approximately 10% will be purchased and retired. As a general rule, measures to avoid and reduce emissions take precedence over the purchase of certificates.

Our Measures until 2040 to Achieve Target E3

Transitioning to renewable energies
Sourcing renewable electricity and expanding the use of green district heating[1] and biogas where available. Additional reduction from projected decarbonisation of the German electricity and district heating mix.
- Expected Reduction until 2040: ~ 7.200 tCO_2e

Optimising energy efficiency
Targeted investments in building technology, including the modernisation of heating and cooling systems, optimisation of building automation and the transition to energy-efficient LED lighting.
- Expected Reduction until 2040: ~ 1.000 tCO_2e

Optimisation in the use of space
Optimisation and consolidation of office space reduces energy demand and associated emissions. Key contributions are expected from the consolidation of major sites and more efficient use of office space.
- Expected Reduction until 2040: ~ 3.100 tCO_2e

Electrification of mobility
The gradual transition of the company vehicle fleet towards electric mobility.
- Expected Reduction until 2040: ~ 3.800 tCO_2e

[1] composed of 70% renewable energy and unavoidable waste heat

Responsible 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.

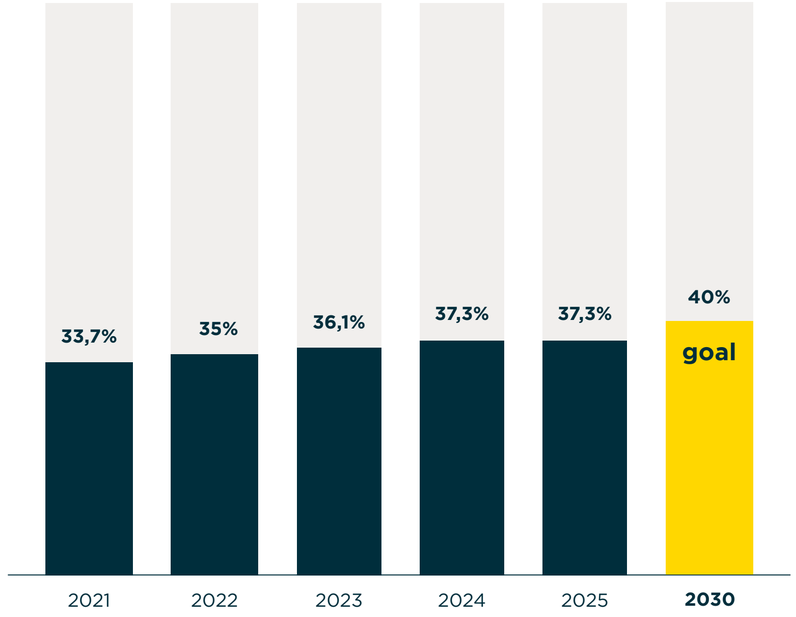
We have therefore taken steps in recent years to increase the proportion of women in management positions. For example, we have further improved our work-life balance policies (see ↘ page 87) to give parents in particular better career opportunities. These include company childcare facilities, the KEEP 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.

CULTURE AWARD

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.

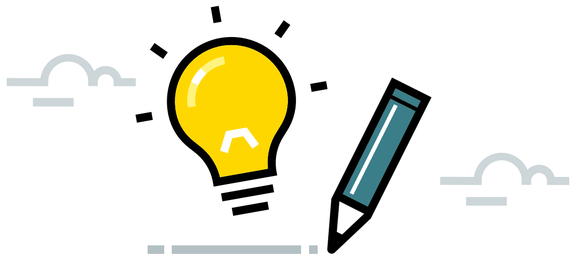
Our Code of Conduct

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 maintain or improve employee satisfaction on a lasting basis. 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 MInarsky
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."

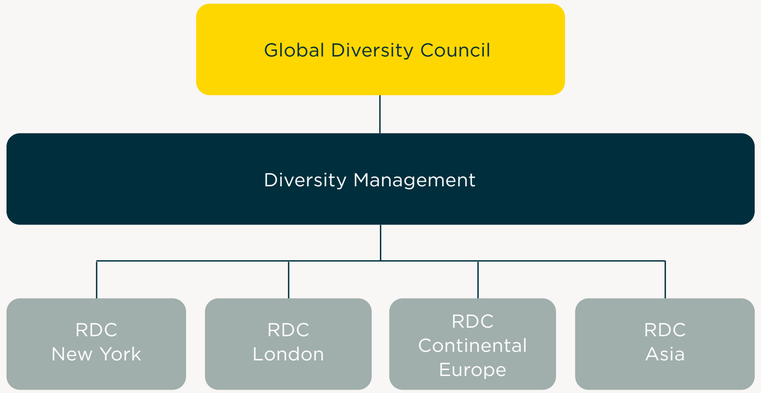
Matthias Füssel
Divisional Board Member Human Resources (HR)

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.den.

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

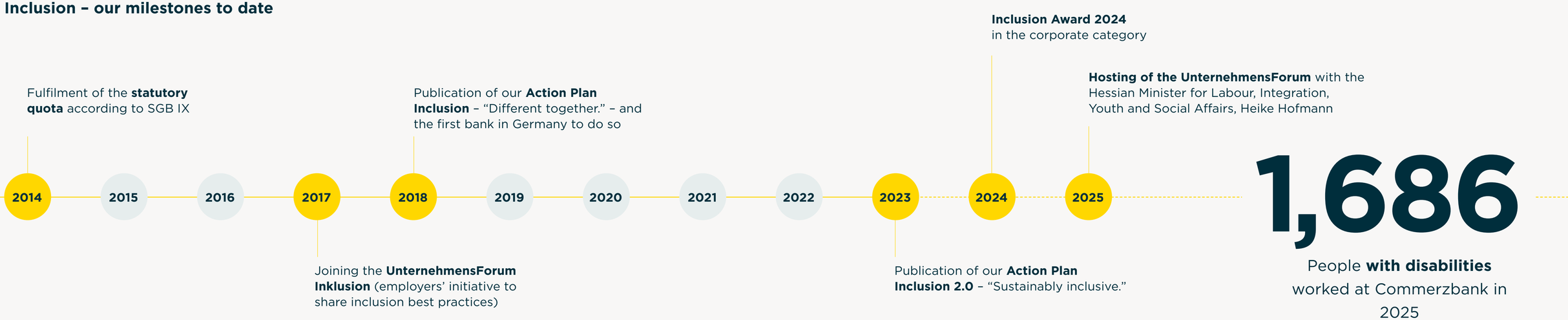
Inclusion breaks down mental barriers and creates the organisational conditions for successful collaboration between people with and without disabilities. Since 2016, Commerzbank has defined the inclusion of people with disabilities as a new Diversity Management action field. Together with employees 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



1,686

People **with disabilities** worked at Commerzbank in 2025

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 – our milestones to date

2001 Equal treatment of registered civil partnerships

Launch of the ARCO employee network **2002**

2010 ↗ Max Spohr Award and first “We are who we are” workshop

Founding member of the ↗ PROUT AT WORK Foundation **2013**

2024 Our ARCO employee network awarded the ↗ Queer Network Award 2024 in the “Sustainability” category

“Top-Rated Employer” (ranked no. 1 in Frankfurt) at the ↗ Rainbow Career Day **2025**

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:

Lernzeit+

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.

Guaranteed employment

Training courses

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.

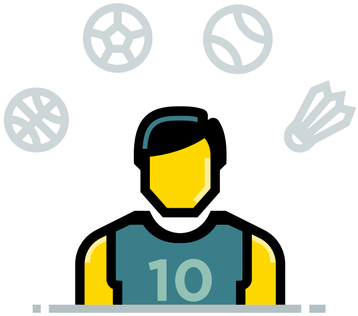
We provide our employees with comprehensive information and advice on health-related issues and support various health programmes. In doing so, we go far beyond the legal requirements. In addition to onsite occupational health events and our ↗ Employee Assistance Programme (EAP), we offer our employees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

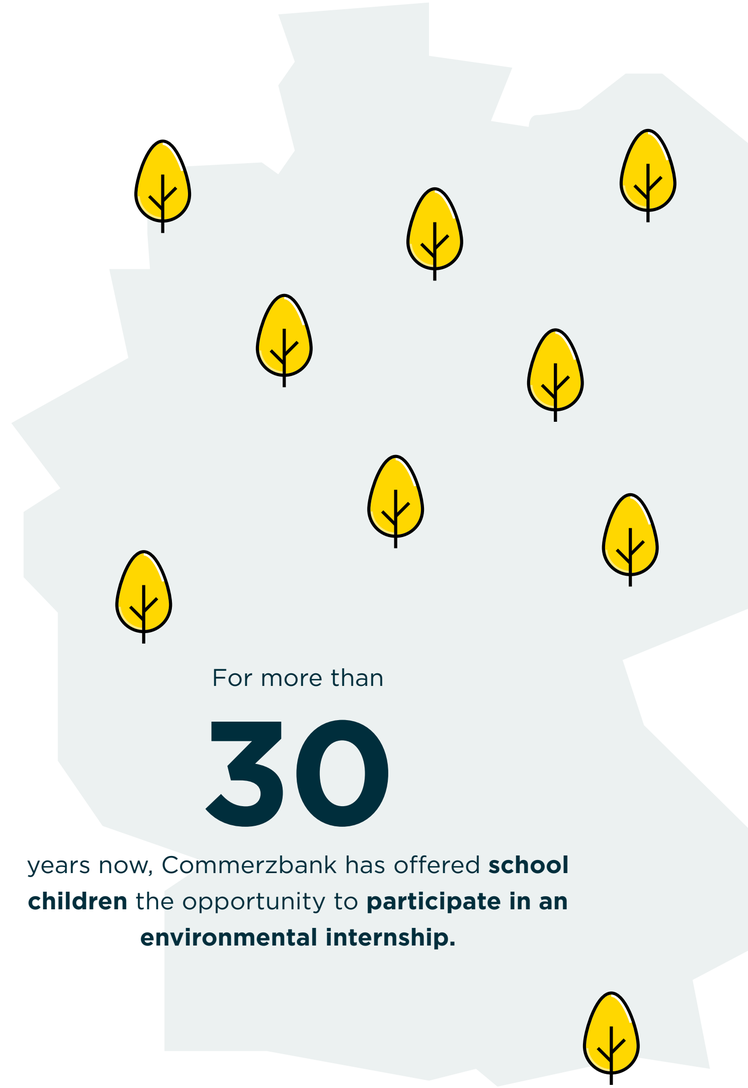
Our commitment to society and the environment

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

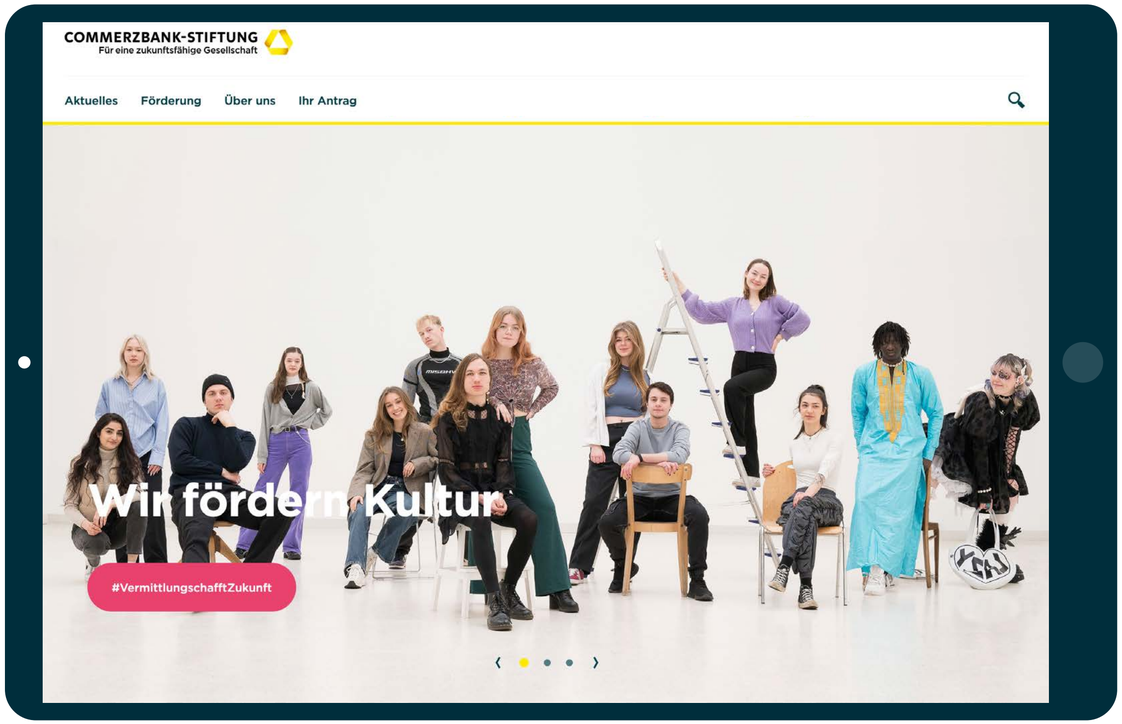
years now, Commerzbank has offered **school children** the opportunity to **participate in an environmental internship.**

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.**

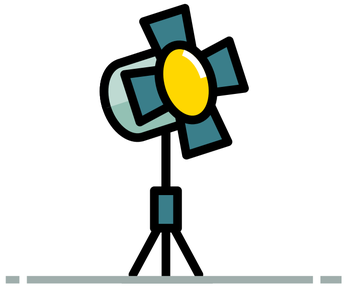
Cultural commitment

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.



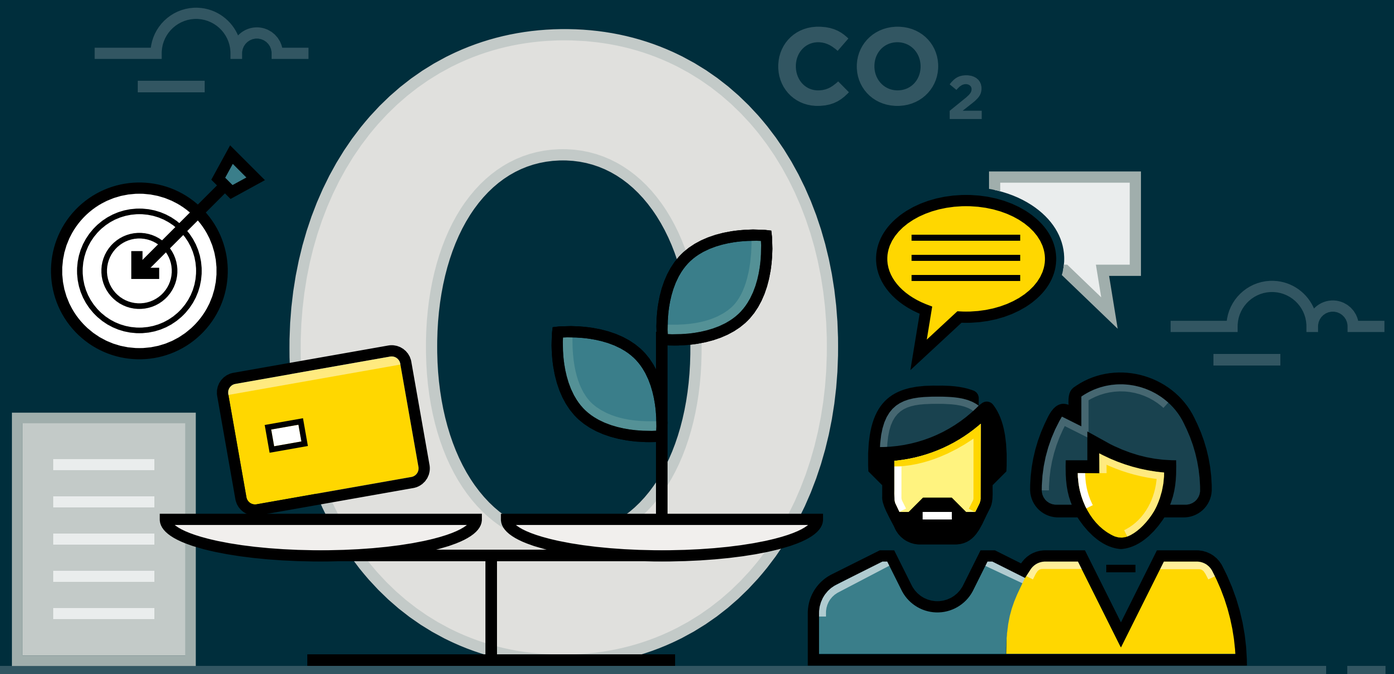
Over the next 10 years, Commerzbank will promote cultural institutions in Frankfurt, where it is headquartered, with **€1.5 million.**

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.

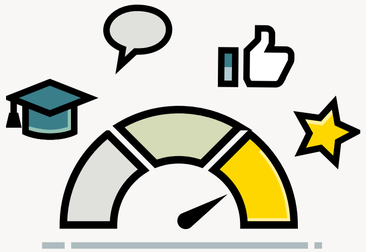
→ **Respecting human rights**
As stated in our Human Rights Position, we are committed to respecting human rights and actively contributing to their protection.

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 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.

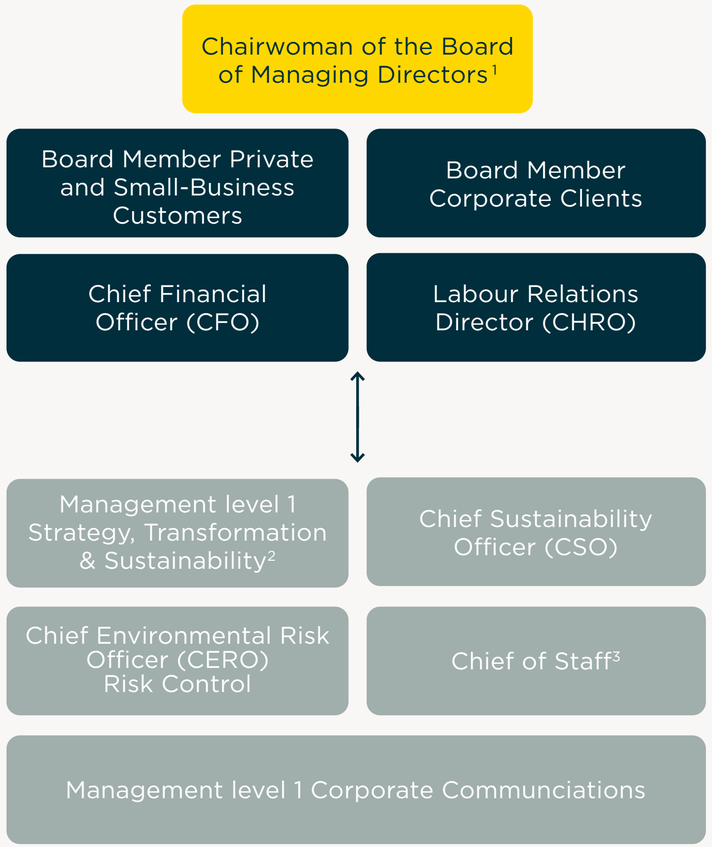
We are committed to complying with the laws, guidelines, market standards and internal bank policies that are binding for us. In addition, we have been committed to the globally recognised principles of the ↗ UN Global Compact since 2006.

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.

Since

2020

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

Target E1

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.

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 103).

Sustainability governance at Commerzbank

Target E1

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 Jennifer Sander

Jennifer Sander
Group Chief Compliance Officer (CCO)

As Divisional Board Member, Jennifer is responsible for Group Compliance & Non-Financial Risk including the Group's compliance units in the international branches and subsidiaries. She also is the Group's Money Laundering and Human Rights Officer. She previously held various management positions at Commerzbank and beyond in the areas of audit and compliance.

We spoke to Jennifer Sander 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 already established a whisteblower system in 2009. 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 culture of integrity encompasses the shared values, norms, and behaviors that shape responsible conduct throughout the Group. An essential component of this is the risk culture, which promotes the deliberate, transparent, and responsible handling of risks within the organization.

To make the characteristics of our culture of integrity measurable, Commerzbank annually assesses the so-called Culture of Integrity Score. 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 categorization 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 groupwide Culture of Integrity Score results from the assessment of the following topics:

- **Tone from the Top & Middle Management**
  Managers at all levels foster a culture of responsible conduct and conscious risk-taking through their behavior and decisions
- **Accountability**
  Employees and managers take responsibility for their actions, their decisions, and their impacts
- **Effective Communication, Challenge & Diversity**
  Open dialogue, constructive questioning, and diverse perspectives support well-founded decisions and transparent collaboration
- **Incentives**
  Incentive and control mechanisms promote behavior that is in line with the values, standards, and goals of the bank
- **Awareness & Learning**
  Risk awareness, continuous learning, and a constructive approach to mistakes strengthen the organization's ability to further develop and successfully master challenges

These areas are assessed using selected qualitative and quantitative indicators on a scale from one (very good) to four (needs improvement). In doing so, different data sources are taken into account in order to obtain the most comprehensive possible picture of the integrity culture as it is lived.

In addition, the individual dimensions are also evaluated as part of an employee survey and (division) Management Board interviews. The combination of various indicators and data sources strengthens the informative value and reliability of the score. The overall result is presented in the form of a traffic light system (green, yellow, red).

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 97).

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 Universal 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, inter alia, in the ↗ Guiding Principles on Business and Human Rights as well as 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 ↗ Entrepreur 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.

Stakeholder engagement on ESG issues

Commerzbank regularly engages with a wide range of stakeholders, including NGOs, representatives of civil society, academia and other relevant stakeholder groups, on current ESG topics. The insights and perspectives gained through this dialogue help shape the ongoing development of our approaches, standards, processes and positions.

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 42).

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 104). The process for analysing the materiality of ESG risks is described in the ESG risks section (see ↘ page 104)

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. Since 2022, we have published 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 65).

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 (CO_2) 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 (CO_2) 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.

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 (CO_2), methane (CH_4) and nitrous oxide (N_2O) 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.

HIIK (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.

Sustainability (ESG): A concept that describes sustainability based on criteria from the areas of environment, social, and governance, which form the framework for sustainable and responsible action at Commerzbank AG (see ↘ page 8).

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 including target implementation plans 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 domestically and internationally. Deviations from this are explicitly disclosed.

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