Annex – Information Environmental, social and governance (ESG) risks

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Environmental, social and governance (ESG) risks

Introduction

The following disclosures are made in accordance with Article 449a of the CRR. The CRR requires large institutions that have issued securities admitted to trading on a regulated market of a Member State within the meaning of Article 4(1)(21) of Directive 2014/65/EU to disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. In addition, Implementing Regulations (EU) 2021/637 and (EU) 2022/2453 set out the technical implementing standards with regard to the disclosure of environmental, social and governance risks. They require both qualitative and quantitative information, including defined templates.

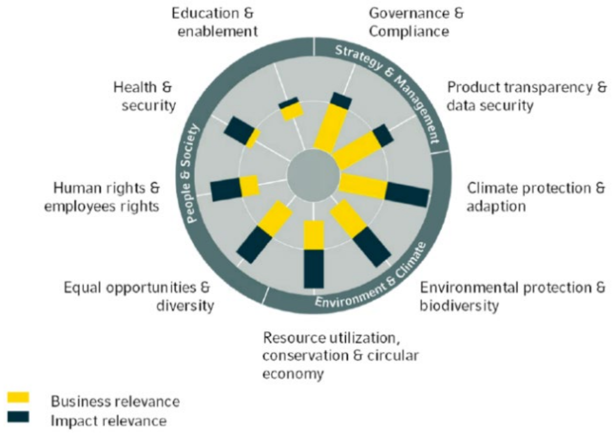
Disclosure will be implemented progressively, starting with the first tables and templates as at the reporting date 31 December 2022.

Further information on sustainability can also be found in our comprehensive sustainability reporting in accordance with international standards (including TCFD, GRI) and in Commerzbank's ESG framework on the sustainability portal of our website at Commerzbank.de/en/sustainability.

Strategy and goals

At the beginning of 2022, we identified the sustainability issues most relevant to us via a materiality analysis. To this end, potential sustainability topics were analysed along the two materiality perspectives. To measure the impact perspective, we conducted an exposure analysis based on the bank's internal financial and risk data as well as proven sustainability indicators to reveal "sustainability hotspots". These are in countries and sectors where Commerzbank is particularly active both directly and indirectly, for example through financing, and where sustainability indicators in the defined areas are significantly below average. The business perspective – i.e. the question of how high the opportunities and risks of these sustainability issues are for business success – was established in a management workshop. Nine topics are consequently material for us. They relate to all three sustainability dimensions – environmental, social and governance – and currently form the focus of our sustainability management activities. Climate change continues to have the highest relevance for the Bank. At the same time, topics such as biodiversity and circular solutions have shifted into greater focus than in previous materiality analyses. Accordingly, we are now taking a closer look at it. To apply the materiality analysis in the Bank's operations, the results were incorporated into the Bank-wide strategy process and discussed at the level of the Board of Managing Directors.

Results matrix for the materiality analysis



In mid-2023, we carried out a new materiality analysis in accordance with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD), which was adopted at the end of 2022. The new directive came into force in 2023 and will have to be implemented for us for the first time from the 2024 reporting year.

Companies can only be successful in business if their day-to-day activities are accepted by society and they meet their responsibility towards the environment and society. Sustainability has therefore been an integral part of our corporate strategy since 2020. Our current strategy "Time to make a difference" is based on the three pillars of growth, excellence and responsibility. Responsibility is representative of the entire sustainability spectrum of "Environment, Social and Governance (ESG). Our net zero commitment is at the heart of the sustainability strategy adopted by the Board of Managing Directors. This applies to our own operations as well as to our loan and investment portfolio. To achieve this goal, we provide our customers with innovative product solutions and actively support them in their transformation towards sustainability.

It is based on two pillars: We support our customers in their sustainable transformations and set a good example ourselves.

We are pursuing this by means of three specific targets:

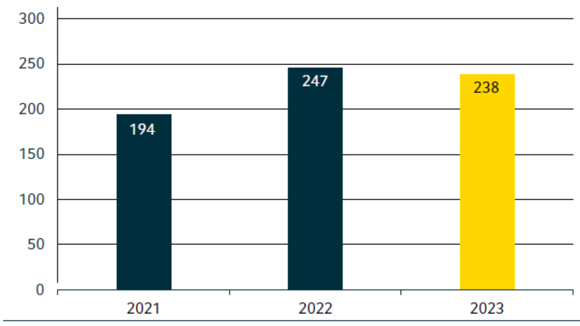
- By 2050 we are aiming for net zero CO_2 emissions from our entire lending and investment portfolio. To measure progress reliably, we use CO_2 reduction targets from the Science Based Targets initiative (SBTi). We are already using this method to align our portfolios with the Paris Agreement and will also manage them accordingly on it from 2025 at the latest.

- By 2025, we will mobilise €300bn for sustainable financial products. These products represent our sustainable business volume, with €100bn attributable to the Private and Small-Business Customers segment and €200bn to the Corporate Clients segment. The goal of mobilising around €300bn by 2025 takes into account not only the provision of capital, but also funds that customers were able to obtain on the capital market with the help of Commerzbank, for example via sustainable bonds and sustainable loans. In the ESG framework, we disclose the criteria we use to classify financial products as sustainable and transparently describe the composition of the sustainable business volume. In view of factors such as the evolving EU Taxonomy, we will realign the volume target accordingly. We will also further expand the range of sustainable products offered in our business divisions. By the end of 2023, Commerzbank Aktiengesellschaft had mobilised €238bn for sustainable financial products, out of a target of €300bn by the end of 2025. There was a significant increase in 2023, particularly in sustainable bonds with a total volume of €61 bn. Due to a significant slowdown in sustainable financing on the credit market in 2023, the volume of new business in this area fell to €75 bn compared to the previous year. The reasons for this include the tense interest rate environment and the effects of the macroeconomic downturn.
- We want to reduce the CO2 emissions of our own banking operations to net zero as early as 2040. We already achieved our target of reducing greenhouse gas emissions at Commerzbank Aktiengesellschaft by a further 30 % by 2025 versus 2018 back in 2022 – three years ahead of schedule. We expect our suppliers to be climate-neutral by 2040. Our own CO2 emissions in 2023 were 76,591 tons.

The status of target achievement is regularly ascertained and reported internally and externally.

Our sustainability strategy is implemented within the Group programme “Sustainability 360°”. The customer segments, Risk Management and numerous other relevant Group divisions are involved in the Group-wide initiative, as is Commerz Real. The programme represents an overarching framework for all sustainability activities and ensures that cross-cutting issues are closely joined up, a coordinated approach is taken, and tracking is strict. A steering committee consisting of members of the top management of the relevant divisions’ monitors progress every two months. The status of the programme is regularly reported to the Board of Managing Directors.

Volume of sustainable financial products
€bn



Our main subsidiaries have also established sustainability as part of their strategy. Commerz Real has been pursuing its Sustainable4Life sustainability strategy since 2020 and has embedded it within the company’s business strategy, in the four impact areas of Portfolio & Investments, Directives & Processes, Team & Stakeholders and Innovation & Digitalisation.

At mBank, too, the ESG agenda is a key component of the business strategy for 2021 to 2025. It is guided by the United Nations Sustainable Development Goals that are relevant for it, and by the UNEP FI Principles for Responsible Banking. The strategy sets out how mBank assumes responsibility for issues such as climate change, for the financial situation of its customers, and for society and investors. mBank has committed to achieving carbon neutrality in its direct emissions (Scope 1) and those of the energy it purchases (Scope 2) by 2030.

mBank plans to become completely carbon neutral – including its loan portfolio – by 2050. To this end, in 2022 it became the first Polish bank to join the Partnership for Carbon Accounting Financials (PCAF). This alliance enables the carbon footprint of the loan portfolio to be determined in accordance with recognised standards. mBank is also a member of the Science Based Targets initiative (SBTi) to ensure that it implements its decarbonisation targets in line with the Paris Agreement. As part of its strategy, mBank has also undertaken to introduce at least one new ESG-compliant product per year in both the retail and corporate customer segments. For example, in 2022 it began offering Eco mortgage loans to retail banking customers for financing environmentally friendly buildings. This product is in line with the objectives of the EU Taxonomy Regulation. mBank already granted more than 700 of these loans for energy-efficient homes in 2023, with a total volume of around €85m (about 374m Polish zloty).

In addition to climate and environmental protection, social concerns and good corporate governance are likewise components of our overall view of sustainability. They feed into our business activities through exclusion criteria and minimum standards as well as through internal policies, review processes and controls. Compliance with human rights in our own business activities as well as on the part of our business partners and customers plays a central role in this. We underpin this with strong governance and binding policies. In terms of social criteria we are guided by the Sustainable Development Goals and the principles of the UN Global Compact.

Through our ESG framework we have made our understanding of and commitment to sustainability transparent for all stakeholders. The framework creates a Bank-wide standard that enables stringent management of all relevant products, processes and activities and ensures the sustainable transformation of Commerzbank. The focus is on our core business, specifically our customer and product portfolio. The ESG framework provides an overview of our sustainability directives and exclusion criteria. It is updated on a continual basis to reflect both regulatory developments as well as our own progress.

The Bank has formulated industry-specific requirements for controversial topics such as armaments, deforestation and fossil fuels. For example, the Fossil Fuels Policy regulates the entire coal value chain from coal production, through infrastructure, to coal-fired power generation at power plants. The value chain is also subject to comprehensive regulation for customers and the customer business from the oil and gas sector (upstream, midstream, power production). Exclusion criteria were defined for particularly critical businesses and business relationships. This includes, for example, financing for oil and gas production projects (conventional and unconventional production methods), as well as the decision not to finance new construction or expansion of coal mines, coal infrastructure or coal-fired power plants. Exclusion criteria were also defined for other areas such as nuclear power and deforestation. For years now, environmental and biodiversity aspects have been integrated into the core business by means of minimum environmental standards and corresponding exclusion criteria, and compliance with these standards has been monitored (for details see chapter 2 Social risks).

Management bodies, organizational structure and remuneration

Among other matters, the Supervisory Board advises and monitors the Board of Managing Directors with regard to sustainability issues. The Environmental, Social and Governance Committee (ESG Committee) generally meets four times a year. Together with the Audit Committee, it assists the Supervisory Board in assessing whether the management is ensuring the economically viable and sustainable performance of the Bank while also observing the principles of responsible corporate governance, fulfilling the Bank's social responsibility and at the same time conserving natural resources. The ESG Committee also advises the Board of Managing Directors on ESG issues.

As part of the optimisation of the remuneration system for the Board of Managing Directors, the Supervisory Board has linked Commerzbank's sustainability strategy to the variable remuneration of members of the Board of Managing Directors in a binding manner. The Supervisory Board has added an explicit ESG sub-target to the Group target, which at 60% accounts for the dominant share of the variable remuneration of the members of the Management Board, and which influences the achievement of the Group target by 20%. As a result, ESG targets have been explicitly embedded in the variable remuneration system since the 2023 financial year for all members of the Board of Managing Directors via the Group target. They complement any other ESG targets within the department and individual targets that may have already been in place in previous years. Alongside other ESG criteria, the Bank's sustainability targets are also embedded in the remuneration system for our employees as target criteria. As an integral component of the qualitative targets, these criteria – together with target achievement in the quantitative element – determine the amount of variable remuneration in the non-pay-scale remuneration model.

The Board of Managing Directors develops the Commerzbank Group's strategy, discusses it with the Supervisory Board and ensures it is implemented. Sustainability issues are included in the annual strategy process for the overall bank strategy and are discussed as required in meetings of the Board of Managing Directors. Each member of the Board of Managing Directors is responsible for implementing sustainability measures within their own divisional remit. Central sustainability management reports to the CEO and regularly informs him about the progress of sustainability issues and activities.

A cross-divisional decision-making and escalation body for sustainability, including matters relating to climate and other environmental risks, enables the sustainable orientation of the business model to be managed holistically. With this Group Sustainability Board, we have firmly embedded the wide-ranging issue of sustainability within the Bank's organisation. The board sets the Bank's strategic sustainability targets and monitors the measures for their implementation and management. In addition, the divisions and segments report regularly on the progress of their sustainability activities and the implementation of regulatory sustainability requirements. The Group Sustainability Board is chaired by the Chairman of the Board of Managing Directors. The Board also includes other members of the Board of Managing Directors and heads of divisions.

By making Group Sustainability Management the overarching sustainability area within the strategy unit, Commerzbank is underlining the strategic priority of this topic. It is responsible for the ongoing development of the sustainability strategy and comprehensive governance. At the same time, Group Sustainability Management manages the "Sustainability 360°" Group-wide programme and thereby coordinates the sustainability work of Commerzbank in an overarching way. It also ensures the implementation of strategic sustainability initiatives such as the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI).

The external Sustainability Advisory Board, led by the Chairman of the Board of Managing Directors, ensures a constructive and critical dialogue with our stakeholders. The six experts from the fields of politics, academia, society, NGOs, trade unions and SMEs represent a broad spectrum of content. Previous meetings included the discussion of topics such as the circular economy, biodiversity, and social sustainability. The input from the Sustainability Advisory Board supports us in the further development of our sustainability strategy.

The following diagram summarises the roles and responsibilities for the sustainability topics at Commerzbank:

Under the three lines of defence approach, ESG risks are viewed as a horizontal type of risk and are therefore managed across various control units at the Bank. For environmental risks (E), the second line of defence is within the risk control function. The Chief Environmental Risk Officer (CERO) and the associated Environmental Risk Control unit deal specifically with climate and biodiversity risks. For social (S) and governance (G) risks, the Group Sustainability Management additionally has the central oversight function of the second line of defence. Together, these two units monitor the impact of ESG risks on the Bank's risk profile.

For the Law on Corporate Due Diligence in Supply Chains (LkSG), which came into effect on 1 January 2023, Group Compliance fulfils the role of the second line of defence as the Global Functional Lead and thus defines Group-wide minimum standards for the bank to identify and prevent violations of certain human rights and environmental obligations by (in-)direct suppliers and within the bank. To ensure compliance, the Bank has set up a comprehensive compliance program that will be consistently expanded. In 2023, the focus was on initializing the global LkSG program. The Chief Compliance Officer assumes the role of the Human Rights Officer according to the LkSG and reports directly to the Chief Risk Officer. The Human Rights Officer is supported in their activities by the bank's Compliance Organization.

The relevance of sustainability is also reflected in Commerz Real's organisational structure. A central department for strategic sustainability issues began its work in May 2023. This Centre of Competence Sustainable Transformation & Strategy is part of the Real Estate Asset Management & Sustainability (RE-AMS) division. The department is responsible for devising the sustainability strategy of Commerz Real and its subsidiaries, and also supports and monitors the operational implementation of this strategy. The department management reports to the general representative for RE-AMS, who in turn reports on sustainability issues directly to the Board of Managing Directors.

At mBank, the Sustainable Development Committee, chaired by the Chief Risk Officer, is responsible for managing sustainability. It coordinates sustainability activities and proposes them to the Board of Managing Directors. The committee also monitors the implementation of the ESG strategy and the progress of ESG initiatives and approves related measures. Furthermore, the Board of Managing Directors maintains regular dialogue with the Supervisory Board on sustainability issues, while the Risk Committee of the Supervisory Board addresses sustainability matters on a quarterly basis. In addition, the evaluation of mBank's top 100 managers is partly (10%) linked to ESG targets.

Qualitative Requirements

The qualitative requirements of Commission Implementing Regulation (EU) 2022/2453 include qualitative disclosures on environmental, social and governance risks. We therefore explain below how we take these risks into account in our business activities. The “Quantitative requirements” section then provides specific information on risks from climate change and associated details.

1. Environmental Risk

Commerzbank understands environmental risks to include both climate and biodiversity risks. We manage environmental risks in our portfolio according to the principle of double materiality, using the following two dimensions:

a) the impact of Commerzbank on the environment (“save the world”) and
b) the impact of the environment on Commerzbank (“save the bank”).

1.1 Climate Risk

In order to have a positive impact on climate development from a "save-the-world" perspective, as described earlier, we pursue the strategic goal of reducing the CO2 emissions of our entire credit and investment portfolio to net zero by 2050. To achieve this goal we have identified and analysed CO2-intensive industries in our portfolio. We adhere methodically to the SBTi, which advocates for the reduction of greenhouse gases based on scientifically calculated targets. This methodology allows companies to align their climate policies with the goals of the Paris Climate Agreement and effectively combat climate change. Using the SBTi method, we have set specific sector-specific targets to reduce the physical CO2 emission intensity associated with our credit and investment portfolio (driver of the so-called "financed emissions") and thereby achieve our net zero commitment by 2050. We aim to manage all portfolios according to the SBTi method with a particular focus on the emissions-intensive sectors. These sectors are energy generation, aviation, automobile manufacturing, commercial real estate financing (commercial and residential use), as well as cement, iron and steel production. We also consider the optional portfolio of private real estate financing. By doing so we take into account the most carbon-intensive parts of the supply chain, that implies suggests that as these sectors undergo transformation, other parts of the portfolio will also be transformed. In 2022, respective targets for reducing emissions intensities by 2030 were set for all these portfolios and validated by the SBTi in 2023. As announced in September 2023, Commerzbank has joined the Partnership for Carbon Accounting Financials (PCAF). In 2023 we therefore adapted our calculation method for portfolio intensities to the internationally recognized PCAF standard. As part of applying this standard, we recalculated the baseline in the starting year of 2021 and determined new target values for 2030. The ambition level of the targets remained the same or was minimally increased, so the cement and the steel sector were upgraded from a previous 1.8° pathway to a 1.5° pathway. Final confirmation of the adjusted targets by the SBTi is still pending.

Furthermore, we have developed a so-called SBTi Net Zero Dashboard, which serves as a control instrument for the SBTi-relevant sectors. Our ambition is to support companies in the real economy in their transition process, to sustainably reduce our financed emissions, and to progress towards our net-zero target for the entire product and investment portfolio by 2050.

Under the SBTi framework, we apply two different methodologies for target setting: On the one hand, the Sectoral Decarbonization Approach (SDA), a method for setting sector-specific intensity targets, and on the other hand, the Temperature Score approach, which enables financial institutions to determine the current "temperature value" of their portfolio based on the public emission reduction targets of their borrowers.

The table below shows the CO2 reduction pathways we have defined until 2030, broken down into SDA sectors and Temperature Rating.

The percentage reduction is derived from the respective emission intensities of the base year 2021 and the target values for 2030. The consideration of emission intensities is based on the utilization of the on-balance sheet-relevant exposure in credit and investment portfolio. Additionally, the SBTi requires a minimum portfolio coverage, which we have also presented for transparency reasons.

Reduction targets according to the Sectoral Decarbonization Approach (SDA)

Asset class[1]	Sectors	CO2-reduction paths for the period to 2030[2]					Utilisation (YE2023) (€ bn)	Financed Emissions (YE2023)
Consumer loans	Residential mortgage loans	57 %	(1.5°)	2021:	45.8	kg CO_2e /m²	96.6	4.49 Mt CO_2e
				2023:	44.4	kg CO_2e /m²		
				2030:	19.8	kg CO_2e /m²		
Project financing/ corporate loans and investments	Energy	74 %	(1.5°)	2021:	97.3	g CO_2e /kWh	8.5	
				2023:	64.9	g CO_2e /kWh		
				2030:	25.6	g CO_2e /kWh		
Corporate loans	Commercial real estate, commercial use	67 %	(1.5°)	2021:	87.4	kg CO_2e /m²	8.6	
				2023:	89	kg CO_2e /m²		
				2030:	28.4	kg CO_2e /m²		
	Commercial real estate, residential use	57 %	(1.5°)	2021:	36.6	kg CO_2e /m²		
				2023:	36.9	kg CO_2e /m²		
				2030:	15.8	kg CO_2e /m²		
Corporate loans and investments	Iron and steel	25 %	(1.5°)	2021:	1.4	t CO_2e /t steel	0.2	
				2023:	1.2	t CO_2e /t steel		
				2030:	1.0	t CO_2e /t steel		
	Cement	23 %	(1.5°)	2021:	0.7	t CO_2e /t cement	0.1	
				2023:	0.8	t CO_2e /t cement		
				2030:	0.5	t CO_2e /t cement		
	Automotive manufacturing	31 %	(1.8°)	2021:	172	g CO_2e /pkm	0.3	
				2023:	148	g CO_2e /pkm		
				2030:	118	g CO_2e /pkm		
	Aviation[3]	22 %	(1.8°)	2021:	796	g CO_2e /tkm	1.2	
				2023:	785	g CO_2e /tkm		
				2030:	620	g CO_2e /tkm		

1 Customers in the SDA sectors for which no emissions data is available are taken into account in the temperature score. In doing so, we comply with the minimum coverage requirements of the SBTi.
2 The provided CO2 reduction pathways represent the current status at the respective year-end, with the year 2021 as the base year and the year 2030 as the target year.
3 The SDA target for aviation is not yet part of the current SBTi validation, as the methodology for aviation SDA is currently intended for the real economy in the SBTi and has not yet been released for financial institutions.

Reduction targets according to Temperature Score approach

Asset class	Sectors	Metric	GHG Scope	Temperature Score[1]	Utilisation (YE2023) (€ bn)	Financed Emissions (YE2023)
Corporate loans	All other	Temperature Score	Scope 1 + 2	2021: 3.11 °C 2023: 2.97 °C 2026: 2.69 °C 2031: 3.15 °C	59.1	10.05 Mt CO2e
			Scope 1+2+3	2021: 3.02 °C 2023: 2.71 °C		19.52 Mt CO2e
Investments[2]	All other	Temperature Score	Scope 1 + 2	2021: 3.03 °C 2023: 2.72 °C 2026: 2.63 °C	22.0	1.92 Mt CO2e
			Scope 1+2+3	2021: 3.07 °C 2023: 2.83 °C 2026: 2.66 °C		2.83 Mt CO2e

1 The provided Temperature Scores represent the current status at the respective year-end, with the year 2021 as the base year and the year 2026 as the target year.
2 Utilisation figure for Investments asset class include the Commerzbank´s investment share in mBank (ca. € 3.6 bn as of 12.2023); mBank´s financed emissions are not included in the financed emissions figure for Investment asset class.

The portfolio objectives are published in our ESG framework and will be regularly updated there, along with the status of goal achievement in the future.

Achieving the SBTi reduction pathways is both a necessary challenge and an opportunity that Commerzbank wants to tackle together with its clients. In order to reduce sector-specific emission intensities customers in Commerzbank's portfolio must make significant transformation efforts themselves. However, ultimately, the green transformation is a collective task of the entire real and financial economy, politics, and society.

The credit and investment portfolio relevant to SDA consists of customers whose main activities can be attributed to the most CO2-intensive industry sectors. The main drivers of sector-specific emission intensities are the portfolio composition resulting from customer’s cash drawing behaviour and the CO2 emission intensities of the respective customers. Since these factors undergo certain fluctuations over time, the reported sector intensities also reflect temporal volatility.

In the energy generation sector the Commerzbank portfolio is performing significantly better than the target path by the end of 2023. This is particularly evident due to the bank's strategic focus on project financing in the renewable energy sector. Commerzbank plans to further expand this position in the coming years. The development of emission intensities in the automotive manufacturing and iron and steel sectors are satisfying.

Developments in the cement sector and private and commercial real estate financing are particularly challenging. The development in the cement sector is primarily due to changes in the loan volume of single major CO2-intensive customers in 2022 (not yet established SBTi steering in 2022), which could not be offset in 2023. In contrast to other sectors the transformation of the (long-term) the CO2 profile of the existing business in real estate financing can only be implemented to a limited extent also for legal reasons. It is expected that the existing business will improve through increasing modernization and the use of sustainable energy sources in the long-term, however, this cannot be actively controlled by the bank. The transformation lever of these portfolios lies primarily within new business. The nationwide decline in new real estate financing business (due to widespread construction stops as a result of uncertainties and price increases in the market) has therefore had a negative impact on goal achievement in this sub-portfolio. The future performance in this sector is highly dependent on a possible upturn in new construction business as well as transformation-supporting political and legal framework conditions.

We consider the SBTi goals in our portfolio steering. Therefore, we have established a process to assess relevant client exposures against our strategic sustainability goals, including the Net Zero (SBTi) sectoral pathways, for the management of significant single transactions in CO2-intensive sectors. The tools for SBTi portfolio steering are being continuously expanded. As of reporting year 2023, we have established general guidelines for managing and ensuring the achievement of SBTi goals for the business segments of Corporate Clients, Private and Small Business Customers, as well as Treasury, which we will further operationalize in 2024.

In collaboration with our existing and new customers, we aim to achieve the goals through the following measures:

1. Through intensive customer dialogue, especially in the particularly affected sectors,
2. Provision of financing required for the transformation, including further expansion of the portfolio of renewable energies and green mortgage loans,
3. Expansion of our sustainable product range,

4. Introduction of differentiated pricing models, insofar as can be implemented appropriately for specific portfolios,
5. Consistent implementation of the Fossil Fuels Guideline.

Another element under the “save the world” dimension is our certified internal environmental and energy management system. This system is the responsibility of the Organisation & Security Group unit, which reports directly to the Board of Managing Directors. Operational environmental protection is also closely connected to many other departments to ensure that Commerzbank’s environmental guidelines are applicable to all areas of the Bank and to influence the Bank ‘s business activities.

Environmental- and energy-related measures are decided through line functions leading through to the full Board of Managing Directors. The environmental and energy management system and its regular reports give the full Board of Managing Directors a broadened basis for their decision-making. Through its environmental guidelines, Commerzbank has defined and published clear rules for conducting business in an environmentally responsible way.

The integrated environmental and energy management system at Commerzbank and 11 subsidiaries in Germany is certified by DNV Business Assurance Zertifizierung GmbH in accordance with the ISO 14001 and ISO 50001 standards. Local environmental and energy data is collected annually for all Commerzbank AG locations in Germany and abroad, and thus also beyond the boundaries of the environmental and energy management system. With the help of Energy Performance Indicators (EnPIs), these are used for planning, evaluating and controlling environmental measures.

Since the 2021 reporting year, the environmental data of Commerzbank Abroad have also been verified alongside the data of Commerzbank Germany AG. The commuting traffic figures were only identified in Germany, as the necessary basic statistical data for Commerzbank Abroad are not available.

Commerzbank’s approximately 500 buildings (as per end 2023) in Germany have been supplied completely with green electricity since 2013. Our energy suppliers duly enter the guarantees of origin for our green electricity in the register of guarantees of origin, which excludes the possibility that a guarantee could be sold to the consumer more than once. These comprise European Energy Certificate System (EECS) guarantees of origin from hydroelectric plants that are not older than seven years and wind power plants (maximum share 20 % per year).

Two new energy targets were set in 2020. It is planned to reduce total energy consumption by an average of 2 % per year by 2025 compared to 2018. At the end of 2023, savings were around 43.7% compared to 2018. In addition, electricity consumption per full-time employee is to be kept constant until 2025 compared to the base year 2018 – despite increasing digitalisation. This goal has also been achieved and has even been significantly exceeded.

Under the "save-the-bank" aspect, Commerzbank considers environmental risks (climate and biodiversity risks) not as a separate risk category but as a so-called horizontal risk. This risk can materialize in known risk categories such as credit risk or market risk. In 2023, we once again conducted a comprehensive and cross-risk analysis of environmental risks for the Commerzbank Group as part of the annual risk inventory process, taking into account the requirements of the ECB Guide on climate-related and environmental risks. All risk categories assessed as major within the risk inventory are evaluated for the materiality of their exposure to environmental risks. Both transition and physical risks were considered, and a materiality assessment was conducted for each. This materiality classification into materially affected and non-materially affected risk categories is based on a temporal dimension as well as a risk-specific dimension. The temporal dimension is divided into short-term, medium-term, and long-term time horizons. The short-term time horizon corresponds to up to one year, the medium-term horizon is 1-5 years, and the long-term horizon is more than five years (at least 10 years were considered). For each mentioned time horizon, the materiality of climate and biodiversity risks is evaluated, which can further be divided into physical and transition risks. The materiality threshold used for this classification is consistent with the established risk thresholds from the risk inventory for all risk categories. The determination of materiality per risk category is scenario-based and, where possible, based on a quantitative basis. Building on this, a holistic consideration of the effects of risk categories significantly affected by environmental risks is ensured in Commerzbank's ICAAP (Internal Capital Adequacy Assessment Process). A comprehensive qualitative analysis of potential transmission channels is conducted, and a scenario-based quantification is generally performed. The climate scenarios used are based, among other sources, on scenarios from the Network for Greening the Financial System (NGFS). The internally established scenario analysis and stress testing infrastructure is utilized for this purpose.

Transition climate risks arise for companies due to the transition towards a lower-emission and more sustainable economic system. This can include regulatory or legislative changes in energy policy, shifts in market sentiment and preferences, technological innovations, or even Greenwashing Risk. On the other hand, physical climate risks arise from changing climatic conditions, leading to more frequent and severe acute weather events such as floods or heatwaves, as well as chronic effects like sea-level rise.

As a result of the analysis, the influence of climate risks has been confirmed as material for the risk categories of credit risk, market risk, operational risk (including compliance and cyber risk), reputational risk, and business risk. No materiality has been identified for physical asset risk, liquidity risks and model risks. A risk category is considered materially affected by climate risks if it is materially impacted by either transition or physical climate risks within one of the three before mentioned time horizons.

Climate Risk materiality assessment[1]

	Material risk types	Climate risk materiality overview					
		Physical Risk			Transition Risk		
		Short term	Medium term	Long term	Short term	Medium term	Long term
1	Credit Risk (incl. Counterparty Risk)	No	No	Yes	No	No	Yes
2	Market Risk	No	No	No	No	No	Yes
3	Operational Risk (incl. Compliance Risk and Cyber Risk)	No	No	No	Yes	Yes	Yes
4	Reputational Risk	No	No	No	Yes	Yes	Yes
5	Physical Asset Risk	No	No	No	No	No	No
6	Business Risk	No	No	No	Yes	Yes	Yes
7	Liquidity Risk	No	No	No	No	No	No
8	Model Risk	No	No	No	No	No	No

1 The short-term time horizon is up to one year, the medium-term time horizon one to five years, and the long-term time horizon more than five years (at least ten years were considered).

The findings of the materiality analysis feed into the business strategy, the overall risk strategy, and the sub-risk strategies, as well as into other core elements of the Bank's internal process to ensure an adequate capital position (ICAAP), such as the internal stress test framework and the risk bearing capacity concept. Particularly in the case of risk types materially affected by climate-related risks, environmental risks are managed within the risk function responsible for the respective risk type. The materiality analysis for climate-related risks is an integral part of the Commerzbank Group's risk governance. In addition to the annual materiality analysis, we carry out internal climate stress tests too.

In addition to the scenario analyses described, we have also examined the potential future impact of physical and transitional risks on the credit portfolio through scenario analyses. For this purpose, we tested our portfolio using various scientific climate scenarios from the NGFS (NetZero 2050 for transition risks) and the Intergovernmental Panel on Climate Change (IPCC 3 to 4°C scenario for physical risks).

In the materiality analysis of credit risk, we took a portfolio-specific approach and conducted quantitative analyses wherever possible. For the potentially most affected portfolio, corporate customers, these analyses were performed using a specific model that translates the relevant parameters of a scenario into economic effects (changes in financial indicators). Regarding transition risks, factors such as regulatory changes, price fluctuations, supply and demand shifts, and effects from technological changes are considered. For physical risks, effects from relevant events (storms, droughts, heatwaves, floods, sea-level rise) are taken into account. Time horizons considered extend at least until 2050. The results are considered in the internal capital adequacy assessment process.

Transition risks arise for companies through the transition to a lower-emission and more sustainable economic system, for example, through regulatory or legislative changes in energy policy, changing market sentiments and preferences, technological innovations, or even Greenwashing Risk. On the other hand, physical climate risks arise due to changing climatic conditions and the associated occurrence of more extreme and frequent acute weather events, such as floods or heatwaves, as well as chronic effects such as sea-level rise.

As a major financier of the German economy, we are also active in sectors that are particularly exposed to climate-related physical or transition risks. However, we have little exposure to some of the hardest-hit sectors (agriculture, for example). Sectors that could potentially be more heavily affected by climate-related risks and that have larger exposures are, for example, the energy sector, the automotive sector, and mechanical engineering, as well as (commercial) real estate finance. Owing to the geographical focus of our portfolio in Germany and Europe, we are comparatively less affected by physical climate-related risks, such as hurricanes and rising sea levels. The materiality analysis shows that both transition and physical climate-related risks are material to credit risk over a long-term time horizon.

The detailed breakdown of the results is as follow:

Transition Risks

Nace Level 1	EaD1 | €bn	2022–2030	2022–2050
A - Agriculture, forestry	0.4		
B - Mining and quarrying	3.6		
C - Manufacturing	55.5		
D - Electricity, gas, steam and air conditioning supply	15.5		
E - Water supply; sewerage, waste management and remediation activities	3.1		
F - Construction	2.5		
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	16.6		
H - Transportation and storage	7.7		
I - Accommodation and food service activities	1.0		
J - Information and communication	7.9		
K - Financial and insurance activities	8.4		
L - Real estate activities	7.3		
M - Professional, scientific and technical activities	2.9		
N - Administrative and support service activities	3.4		
O - Public administration and defense; compulsory social security	0.0		
P - Education	0.1		
Q - Human health and social work activities	1.8		
R - Arts, entertainment and recreation	0.6		
S - Other services activities	2.3		
U - Activities of extraterritorial organizations and bodies	0.3		

1 Credit risk portfolios within the corporate client segment (corporate clients and specialized finance) and others and consolidation (mainly treasury); values as of 31.12.2023 (annual update in line with the annual risk inventory)

Legend	
Lower impact	Higher Impact

Physical Risks

Nace Level 1	EaD[1] | €bn	2022–2030	2022–2050	2022–2100
A - Agriculture, forestry	0.4			
B - Mining and quarrying	3.6			
C - Manufacturing	55.5			
D - Electricity, gas, steam and air conditioning supply	15.5			
E - Water supply; sewerage, waste management and remediation activities	3.1			
F - Construction	2.5			
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	16.6			
H - Transportation and storage	7.7			
I - Accommodation and food service activities	1.0			
J - Information and communication	7.9			
K - Financial and insurance activities	8.4			
L - Real estate activities	7.3			
M - Professional, scientific and technical activities	2.9			
N - Administrative and support service activities	3.4			
O - Public administration and defense; compulsory social security	0.0			
P - Education	0.1			
Q - Human health and social work activities	1.8			
R - Arts, entertainment and recreation	0.6			
S - Other services activities	2.3			

1 Credit risk portfolios within the corporate client segment (corporate clients and specialized finance) and others and consolidation (mainly treasury); values as of 31.12.2023 (annual update in line with the annual risk inventory)

Legend	
Lower impact	Higher Impact

In order to manage the effects of climate-related risks in Commerzbank Aktiengesellschaft's lending business, we are systematically optimising our processes and methods. We must understand and actively manage the associated risks, not least in connection with our strategy, in order to support the transformation of companies to a more environmentally friendly and climate-neutral economy. We combine specific findings from scenario analyses with an individual risk analysis at customer level. We take a portfolio-specific approach and thus take appropriate account of the differences in terms of those affected and the risk drivers.

In the particularly relevant portfolios such as corporate clients, special financing, banks, and commercial real estate finance, the results of scenario and credit risk analyses are aggregated in a structured evaluation called the "climate risk score". We consider this score in individual credit decisions. Depending on the score, portfolio-specific requirements (such as the need for further climate risk analysis) or restrictions (such as limiting maturities) are triggered. We also use this score in portfolio analysis and management. Portfolio-specific guidelines, embedded in the credit risk strategy, limit the share of elevated climate risks. These processes and procedures are fully integrated into the credit risk analysis and are mandatory components outlined in the corresponding procedural instructions. In our target state, we want to integrate climate-related risks – as far as possible – into the quantitative credit risk analysis and thus fully reflect them across the process, including in pricing and reporting.

Another key aspect is the continuous expansion of our specialists' expertise in climate-related risk, which enables us to discuss the challenges and work together with our customers to assess the risks on an equal footing. With the support of external consultants, academia, and initiatives, we deepen this knowledge, including through sector briefings that analyse the specific impact chains of climate risks for the most affected sectors.

By combining these measures, we ensure that our efforts to support the transformation adequately account for the associated risks.

Market risk related to climate change risks has been assessed on a portfolio basis, particularly from an economic perspective. As a result, Commerzbank considers market risks in sectors that may potentially be affected by climate risks and exhibit sensitivity, particularly to credit spreads and equity exposure in affected sectors, as well as interest rates, all of which are expected to increase depending on the adaptability of companies and global economies. Based on scenario-specific volatility derived from scenario-based calculations, it is concluded that transition climate risk is a material driver for market risk in the long term. The established ICAAP capital buffer for this purpose will be maintained. No significant impacts have been derived from the scenario analysis for physical climate risk.

Exposures particularly affected by climate risk are subject to regular monitoring. A trigger has been established to ensure that the materiality of climate risk does not exceed the established ICAAP capital buffer on an intra-year basis. The consideration of climate risks in the New Product Process (NPP) has been further improved by incorporating ESG-relevant criteria as potential parameters for pre-trade approval. Additionally, in 2023, market risk-specific reporting has been included in the bank's central risk report.

Operational risk has also been classified in terms of environmental risks within the defined time horizons. Quantification of potential effects was conducted through specific scenario analyses. As a result, transition climate risks were classified as material in all three-time horizons. The applied analysis method includes topics such as natural disasters, supplier or vendor failures, vandalism/terrorism (by activists), and greenwashing. The latter scenario, in particular, is a key driver of the materiality classification. Relevant scenarios are incorporated into the bank's own operational risk modelling and undergo annual assessment and updates. A risk metric that considers climate-related losses in operational risk was established in 2023.

Reputational risk, which was also assessed as material in relation to climate risk, is classified as one of the significant non-quantifiable risk categories of the Commerzbank Group according to the risk inventory. Therefore, it is managed as part of the overall risk strategy.

The Reputational Risk Management of Commerzbank AG establishes conditions and limits for business activities and evaluates transactions, products, and customer relationships through careful analysis. The review process begins on the market side: Once a sensitive area defined by the bank is affected, reputational risk management is involved. The assessment is conducted using a five-level scale and can lead to the rejection of the product, transaction, or business relationship. All sensitive areas, as well as the corresponding positions and guidelines, are continuously reviewed and updated as needed. Details of the review process and the applied criteria are presented in Chapter 2.1.3 of this appendix.

As part of the environmental risk materiality analysis, reputational risks were classified as material overall due to the significance of transition climate risk (particularly due to Greenwashing Risk) in short, medium, and long-term time horizons. Quantitative effects were evaluated using bank- and risk-specific scenarios, incorporating expert estimates. The consideration of reputational risk in the context of environmental risk is integrated as part of the regular central risk reporting.

Given the relevance of greenwashing risks for both operational and reputational risk, various control measures have been established. These include the implementation of greenwashing controls and the examination of new sustainable products, including greenwashing assessments, within the New Product Process. Additionally, a Greenwashing Risk Internal Control Framework has been developed as a framework for managing Greenwashing Risk, and the topic has been incorporated into written policies and procedures.

Due to the significant importance of sustainability aspects, including environmental risk, for the overarching business strategy, climate risks are considered a key driver of business risk, primarily driven by medium- and long-term transition risks. The business risk is potentially affected particularly by secondary effects from reputational risk. Potential impacts from climate risks are already incorporated into the management buffer for business risk, which undergoes regular adequacy assessments.

Climate risk also play a significant role in the asset management of Commerz Real, encompassing both physical and transition risks. To assess the vulnerability of assets and the portfolio accurately, future scenarios based on representative $CO2$ concentration pathways from the Intergovernmental Panel on Climate Change (IPCC) are utilized. In risk assessment, including scenario analyses, Commerz Real relies on tools such as the Carbon Risk Real Estate Monitor (CRREM) and the PwC Climate Excellence Tool. The CRREM tool displays climate pathways based on asset class- and country-specific $CO2$ and final energy targets for a 1.5°C and a 2.0°C scenario. The Climate Excellence Tool allows for site-specific evaluation of physical climate risks for various scenarios. Commerz Real strives to conduct location-specific risk analysis based on existing data and derive specific measures for early damage prevention. The results are incorporated into the risk assessment and sustainability evaluation of all real estate transactions and are considered accordingly during the management phase. The foundation of climate risk management is the reliable collection of consumption and emission data, as well as location data. To achieve this, Commerz Real has implemented a sustainability data management system and also collaborates with external partners for data collection on a global level.

mBank in Poland operates its independent Reputational Risk Management function on the basis of its commitment to the United Nations Global Compact. mBank's risk management strategy is based on three pillars: Support sustainable growth, strive for prudent and stable risk management and strengthen capabilities to manage ESG and cyber risks. mBank has formulated its own exclusion criteria for various sectors based on the EU's climate and energy policy. These include the mining and energy sectors: for example, financing for the construction or expansion of hard coal and lignite mines is excluded. mBank's reputational risk strategy is reviewed annually and harmonised with the parent company.

1.2 Biodiversity

These are also regarded as horizontal risks for the Bank. As with climate risk, the classification of biodiversity risk for material risk types is a central component of the annual materiality analysis. The analysis and assessment are consistently conducted in the short, medium, and long term for both physical and transition biodiversity risks.

Physical biodiversity risks can arise from the loss or degradation of ecosystem services on which economic activities depend, such as the deterioration of water availability or soil quality. Additionally, physical risks can also result from natural disasters triggered or exacerbated by biodiversity loss. On the other hand, transition risks arise from the process of transitioning towards a more sustainable and environmentally friendly economy. Risk triggers in this context include regulatory changes or allegations of greenwashing.

Following the initial set-up in 2022, the scope of analysis was expanded, and the methodology was further developed in the reporting year. The expert-based materiality assessment of biodiversity risks includes a driver and transmission channel analysis and was supported by a qualitative scenario analysis aligned with the narratives of the Task Force on Nature-related Financial Disclosures (TNFD). The "Ahead of the Game" scenario focuses on transition risks, while the "Sand in the Gears" scenario focuses on physical risks.

In summary, credit risk, reputational risk, and business risk are significantly affected by biodiversity risks. The bank sees the impact of these risk categories particularly in the medium and long term. Commerzbank assesses market risk, operational risk, physical asset risk, liquidity risk, and model risk as non-material.

Reputational risks were classified as material overall due to the significance of transition biodiversity risks in the medium and long term. Greenwashing allegations emerge as particularly relevant for this risk category. These allegations can also be triggered by market changes, such as a societal shift towards more environmentally conscious behaviour. The Reputational Risk Management has evaluated the corresponding quantitative impacts based on risk driver-specific scenarios, incorporating expert estimates.

For business risk, transition biodiversity risks were also classified as material. This is primarily based on the assessment of their significance in the medium and long term. Overall, the relevance of transition risk drivers and transmission channels arises mainly from secondary effects through reputational and credit risks. Risks from regulatory changes and market shifts that can impact the bank's business model are of particular relevance.

A more detailed description of the approach to assessing biodiversity risks for the bank's credit risk, as well as an explanation of the materiality assessment, will be provided in the next section.

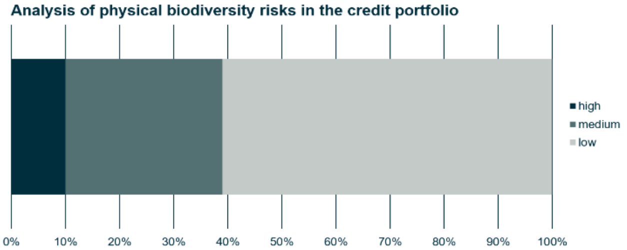
Biodiversity Risk materiality assessment[1]

		Biodiversity risk materiality overview					
	Material risk types	Physical Risk			Transition Risk		
		Short term	Medium term	Long term	Short term	Medium term	Long term
1	Credit Risk (incl. Counterparty Risk)	No	No	Yes	No	No	Yes
2	Market Risk	No	No	No	No	No	No
3	Operational Risk (incl. Compliance Risk and Cyber Risk)	No	No	No	No	No	No
4	Reputational Risk	No	No	No	No	Yes	Yes
5	Physical Asset Risk	No	No	No	No	No	No
6	Business Risk	No	No	No	No	Yes	Yes
7	Liquidity Risk	No	No	No	No	No	No
8	Model Risk	No	No	No	No	No	No

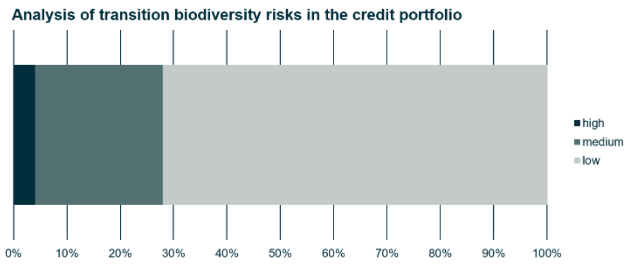
1 The short-term time horizon is up to one year, the medium-term time horizon one to five years, and the long-term time horizon more than five years (at least ten years were considered).

Biodiversity risks in the credit portfolio

The core of the physical risk analysis for credit risk is the assessment of the dependence of ecosystem services on sectors in which Commerzbank is represented through credit engagements. External data from the ENCORE tool were used for risk assessment, which evaluates the degree of dependence on ecosystem services per sector. Commerzbank translates the materiality assessment of the dependence and impact from ENCORE (very high, high, medium, low, very low) into an internal three-level assessment (high, medium, low). The assessment of the dependence of an economic activity on ecosystem services was considered together with the business volume in the respective sector. According to the materiality analysis, some sectors are more dependent on ecosystem services, such as wholesale and the chemicals and food sector. Overall, the materiality analysis revealed that approximately 10% of the portfolio has a high dependence, and about 29% has a medium dependence on ecosystem services. The main driver of physical biodiversity risks is the dependence on water:



To assess the transition biodiversity risks for credit risk, the negative impact of business activities on the environment and potential consequences of anticipated future regulatory changes for biodiversity protection were considered. A high transition risk is determined when both the negative impact and foreseeable regulatory changes are deemed likely. Commerzbank identified the chemicals and beverages sector, as well as the extraction of crude oil and natural gas, as sectors with high transition risk for the bank. Overall, 4 % of the portfolio was assessed with a high transition risk, and 24 % with a medium transition risk.



In summary, the materiality analysis revealed that physical biodiversity risks are more relevant for credit risk than transition risk in contrast to the affectedness by climate risk. For the future, a more in-depth analysis following the approach used for climate risks is planned, supported by relevant scenarios and advanced assessment methods where available. Additionally, a quantitative analysis of water risks, as the largest risk driver in the portfolio, will be conducted in 2024.

In our core business, we contribute to biodiversity protection through our positions and policies on environmental and social risks. We have defined clear exclusion criteria, such as requirements for companies operating in sectors and regions with high deforestation risk in the area of deforestation and agricultural commodities. These deforestation activities lead to biodiversity loss and threaten valuable ecosystem functions.

Furthermore, since March 2022, Commerzbank has been part of the Biodiversity in Good Company (BiGCI) initiative, where the bank, along with other companies, is committed to the sustainable use of global biodiversity. The initiative serves as a platform for dialogue to continuously develop biodiversity management. By sharing best practices, companies and economic actors can learn from each other.

1.3 Products and Services with a specific Environmental Benefit

Global efforts to combat climate change require not only favourable political conditions and new technical solutions, but above all adequate financial resources. This offers numerous opportunities for us as a bank: the energy revolution and reduction in CO2 emissions are creating a need for new technologies and products requiring large investments.

At the same time, our customers are facing new types of non-financial challenges: from collecting data and managing their own carbon footprints to making decisions on their technological direction in the context of the energy transition. In addition, interest in sustainable investment opportunities is growing, which is why we are developing products and services that take account of these changes while offering an environmental or social benefit.

We take account of regulatory requirements and market analysis in developing these products and we apply the Bank’s own specialist and product expertise. These products support the sustainable transformation of our customers and at the same time provide incentives for more sustainability in companies and individuals. The products prioritised for development are determined in equal measure by the requirements of the Bank’s own sustainability strategy, customer needs, economic considerations and regulatory requirements. We check whether a product can be classified as sustainable within the framework of the NPP using defined criteria. The basis for this is our ESG framework.

A complete overview and detailed information on the products and services that we currently classify as sustainable as well as a description of the assessment method can be found in our ESG framework; further details are available in section 4 of our GRI report.

2. Social Risk

International conventions stipulate a multitude of human rights. These have universal validity, are indivisible and inalienable. Any breach of these human rights in their different aspects is a driver of social risk.

Social risk can also arise or be amplified as a result of indirect drivers. In particular, the steady deterioration of environmental conditions leads to increased social risk. Effects of climate change, such as water stress, may particularly affect a specific geographical area and its population. That may lead to or further exacerbate social disadvantages. Political unrest or increased migration pressure, again with negative social effects, may be the result. Changes in the legal or economic framework may also be indirect drivers of social risk. The transition towards a decarbonised economy may, for example, entail the loss of jobs in certain sectors. Through our strategic orientation, described in the first section, to accompany the sustainable transformation, and through our measures in climate and environmental protection, we thus also contribute indirectly to minimising the emergence of social risks.

Commerzbank is aware of its 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. Our policy statement on human rights and environmental due diligence has been in place since 2022. Both positions are aligned with the "UN Guiding Principles on Business and Human Rights" and take into account the "OECD Guidelines for Multinational Enterprises". We continuously review and enhance our positions to ensure ongoing development.

The Board of Managing Directors of Commerzbank sees the responsibility for the protection and enforcement of human rights with itself. In 2022, an Officer for Human Rights was appointed to assume the responsibilities under the Supply Chain Due Diligence Act (LkSG). The Chief Compliance Officer (CCO) assumes this important and responsible task. In this function, he reports directly to the Chief Risk Officer. The Officer for Human Rights is supported in his role by the bank's compliance organization to enforce the legal positions of the LkSG among employees and business partners of the corporation. Additionally, the board is supported by other units to comprehensively encompass human rights standards within Commerzbank.

We make a granulated contribution to the promotion and respect of human rights within our sphere of influence. For us, there are primarily three relevant stakeholder groups: employees, suppliers and customers:

2.1 Employees

We respect and promote the human rights of our employees. Most of our employees work in member states of the European Union. In addition, we set out Commerzbank's understanding of human rights and our commitment to uphold them in our Code of Conduct for our employees worldwide. These principles of conduct are part of our corporate culture and document our commitment to integrity in action. They clarify existing rules of conduct regarding human rights as well. The Code of Conduct applies without exception to all our employees – from corporate management to trainees. We consider it an important part of our due diligence obligations to sensitise our employees to respect human and environmental rights and to impart the necessary expertise for the effective implementation of human and environmental due diligence processes. Therefore, we will continue to conduct trainings for this purpose and will further embed the relevant requirements in our policies and procedures.

We conduct the LkSG risk analysis annually within our own business area. This allows us to identify short-, medium-, and long-term social risks, such as violations of labour rights or discrimination, for Commerzbank AG, international branches, and representations, as well as subsidiaries. This enables us to implement targeted and effective preventive measures. In our internal policy on human rights and environmental protection, we have also defined processes to take action if we become aware of actual or imminent socially harmful activities.

In the operational context, social risk factors can impact employee satisfaction and employer attractiveness. This can lead to personnel risks (see page 121 of the disclosure report). The Personnel Risk Report prepared by the Group Human Resources department considers current personnel management areas and presents risk information based on defined criteria. In dealing with our employees, we mitigate social risk factors through following various measures.

Qualification

Taking into account the changes in the labour market, we have formulated the medium-term goal of rethinking recruitment and focusing on candidates as customers. Further initiatives for talent acquisition are embedded in the HR strategy, including a comprehensive training program, innovative qualification measures, and the opportunity for various career paths to make the bank attractive to young talents.

To continuously develop the skills of colleagues and to qualify them for the changes brought about by digitalization Commerzbank Aktiengesellschaft offers optional and mandatory training modules, such as seminars, workshops and e-learning courses. The voluntary basic qualification on the topic of sustainability for all employees of Commerzbank Aktiengesellschaft in Germany was supplemented by an advanced qualification in 2023. This qualification is specifically designed for employees with customer contact, helping us to strengthen our expertise in front-facing positions and consolidate the understanding of sustainability among the workforces.

We have also expanded the compulsory and standard qualifications to include a third pillar that revolves around self- determined, interest-based digital learning. With “Lernzeit+” (Learning Time+), Commerzbank Aktiengesellschaft provides all employees with an optional working time quota. Access to this digital offering is provided via the learning experience platform cliX.

Commerz Real offers a model in HR management in which employees can choose between variable working hours and trust-based flextime. It also attaches great importance to the ongoing training of its employees. Virtual formats such as “Sustainability-Session” and “Digi-Sessions” are a platform for cross-disciplinary presentation and discussion of the topics of sustainability and digitalisation in the real estate and renewable energy sectors and in equipment leasing. Commerz Real also permits all employees to use the “Learning Time+” model to devote to twelve hours of their working time per quarter on further education or training courses. In 2023, Commerz Real, in collaboration with the German Society for Sustainable Building (DGNB), launched its first mandatory basic training on sustainable, ESG-compliant real estate management for all employees. The training provides up-to-date knowledge on the topic of sustainability and its application in industry standards and practices, making an important contribution to implementing the Sustainable4Life sustainability strategy.

Maintaining health

Health is the basis for a properly functioning organisation and workforce alike. That makes strategic health management another key element in Commerzbank Aktiengesellschaft’s HR activities. Advancing digitalisation and the associated opportunities for mobile working are constantly changing the requirements in the world of work. We want to empower employees and managers to deal with this change under their own responsibility and in a way that promotes health. To this end, we offer them a wide range of preventive measures such as professional advisory and information services. The employee offering includes traditional in-person appointments as well as alternatives such as webinars, audio formats and video consultations with company doctors and with Employee Assistance Programme advisors. In occupational healthcare management, we place a particular focus on prevention. Information, education, and exchange formats play an important role in this regard. With the regular health dialogue introduced in 2023 as an exchange platform for those involved in occupational healthcare management at Commerzbank, we are providing impetus and also developing offerings for responsible management. Commerzbank also supports senior staff in health prevention with an employer-financed check-up.

The same applies to Commerz Real. As part of its commitment to its employees' health and satisfaction, the company both develops its own concepts and implements measures in cooperation with the parent company. Since 2022, Commerz Real has been rolling out the new Com.Work office concept across the board. Employees can get involved in redesigning the office space. In addition to offices that can be booked flexibly, spaces are also being created for intensive video calls, interaction or relaxation, for example.

As the pandemic stabilised, mBank introduced a hybrid working model, which is implemented according to the specific circumstances in sales and contracts units, in operations and in IT. It combines the advantages of office work and working from home and allows the best workplace to be chosen based on the specific tasks to be done. mBank has also launched the "Energised for Health" advice programme. This includes courses and training to help employees cope with stress and pressure.

Diversity and equal opportunities

A working environment that is free from prejudice, typified by mutual respect and acceptance is essential for an atmosphere where everyone is able to thrive. We do not tolerate discrimination at Commerzbank. Any form of unfavourable treatment of people based on their gender, nationality, ethnic origin, religion or beliefs, disability, age, sexual orientation or gender identity constitutes a violation of human dignity and infringement of personal rights.

As part of our mission of promoting an open and honest approach to dealing with the topic of sexual orientation and the gender identity of employees, customers and business contacts, Commerzbank Aktiengesellschaft focused on the theme "Trans*, Inter*, Non-binary – What Exactly Do These Terms Mean?" in 2023. These included reviewing our processes and forms to ensure that customers are addressed in neutral terms, and also adding a gender-neutral option to the standard forms of address, for example when opening an account. In 2023, Commerzbank was the first bank to offer a gender-neutral option in the salutation field during account opening. In addition, since 2023, Commerzbank and comdirect have given people who are transitioning the opportunity to have their debit and credit cards reissued in a name that affirms their new gender if they wish.

We actively embody our membership in the Diversity Charter and the PROUT AT WORK Foundation: Each year, we actively participate in nationwide events such as Diversity Day and the "Pride Season." Additionally, we are happy to serve as a point of contact for new charter members with our "Best D&I Practices." This has many positive effects. Commerzbank is perceived as an employer that is positively inclined towards promoting diversity and inclusion and is convincingly committed to equality. Our customers are also increasingly paying attention to the values a company represents. A particular highlight in 2021 was the signing of the Czech Diversity Charter by Commerzbank in Prague, and in December 2023, the signing of the Bulgarian Diversity Charter.

As in the previous year, the Commerzbank Tower was lit up to celebrate Pride, and colourful versions of the Bank's logo appeared in digital channels and applications.

A diverse working environment makes a significant contribution to ensuring the Bank's sustainable success and to increasing its innovative strength and productivity. Diversity and inclusion are therefore part of our corporate and sustainability strategy. With our broad diversity commitment, we have been regarded nationwide as an innovative driving force in this area for more than 30 years. Diversity and inclusion are anchored throughout the Group using a governance structure with representatives from all areas of the Bank. The central committee for strategic alignment is the Global Diversity Council (GDC), which is chaired by the member of the Board of Managing Directors responsible for Human Resources. With all business units taking part and support provided by regional councils at various locations abroad, this approach makes it possible to take country-specific differences and needs into account.

Globally, the Group employs people from 122 nations. Their diverse origins vitalise and enrich interactions. Differences in viewpoint and experience lead to new ideas.

Like its parent company, Commerz Real is a signatory to the Diversity Charter. Employee awareness of the issues of diversity and inclusion is raised through presentations, and human resources processes are checked to determine whether they ensure equal opportunities and diversity. Parallel to this, mBank in Poland is further developing its "Diversity and Inclusion Policy" and is a signatory to the "Diversity Charter" of the "Responsible Business Forum". The "Diversity and Inclusion Policy" not only summarises mBank's efforts to date but is also as a key component of the strategy for the coming years, in keeping with the ESG social responsibility goals.

All measures to promote diversity at mBank are overseen by the member of the Board of Managing Directors responsible for diversity and inclusion, who is charged with building a diverse work environment and coordinating the initiatives planned in the policy and any measures resulting from this. Since 2022, all employees have completed e-learning courses on the topics of diversity and inclusion. In January 2023, mBank was for the third time listed in the global Bloomberg Gender Equality Index, which tracks the performance of public companies that actively promote gender equality in their working environment.

mBank is also included on the “Diversity IN Check” list for 2023. This is published by the Responsible Business Forum and recognises the employers in Poland who are setting the bar in their management of diversity and inclusion.

Working concepts for different phases of life

Alongside professional development, work-life balance is an important aspect of remaining attractive as a business. Within Commerzbank Aktiengesellschaft, this balance is ensured by concepts for different stages of life with specific offerings, such as flexible working time models, sabbaticals, and programmes to facilitate the return to work after parental leave. We also offer advisory and support services relating to childcare, home care and care for the elderly through pme Familienservice. With an ageing workforce, taking care of relatives is becoming increasingly important. Our offerings aim to raise awareness about how to strike a balance between caregiving and work and to impart knowledge about the topic of caregiving in our working environment.

In 2023, Commerzbank and its employee representatives developed a new regulation on hybrid working – a mixture of working from home and working at the Bank's premises. In terms of hybrid working arrangements at Commerzbank, the teams are essentially free to organise themselves as they wish: teams and managers are responsible for defining their own rules on how they organise their hybrid working together, taking guidelines into account. The new regulation on hybrid working came into force on 1 April 2024.

We have agreed with the Works Council that we will continue and expand the working from home arrangements in Germany even after the coronavirus measures have been lifted. Provided that remote working is feasible from an operational perspective, branch employees were able to work remotely for up to 50% of their working hours; at headquarters and in the digital consulting centres, the figure was high as 70%. In addition to the positive experiences with flexible working during the coronavirus pandemic, the overriding factor that persuaded us to take this step was the clear desire of the workforce for greater flexibility in where they work. In 2023, Commerzbank worked with employee representatives on a new rule governing flexible and hybrid working. This will come into force from spring 2024.

In making appointments to the Board of Managing Directors, the Supervisory Board aims to increase diversity, particularly with regard to age, origin, education and professional background, and to give appropriate consideration to women. As a rule, the members of the Board of Managing Directors should not be over 65 years of age. In addition, the Supervisory Board ensures that the members of the Board of Managing Directors have a suitable range of educational and professional backgrounds.

The Board of Managing Directors currently consists of seven members: two women and five men. This means that the minimum proportions under Art. 76 (3a) of the German Stock Corporation Act (AktG) have been met and indeed exceeded, according to which a Board of Managing Directors consisting of more than three people must have at least one woman and at least one man among its members. The Supervisory Board will strive to continue to exceed the statutory minimum proportions in the future. The proportion of women on the Board of Managing Directors was 28.6 % as of 31 December 2023. Where required by law, the Group companies have also set their own targets for the proportion of women on their management boards. These measures enabled Commerzbank to increase the proportion of women in leadership positions to more than 36% Group-wide last year. The Board of Managing Directors has set a new goal of 40% across all management levels by the end of 2030 (management levels 1 to 4 and project managers at level 5). All divisions of Commerzbank Aktiengesellschaft are explicitly tasked with actively approaching suitable female employees during the recruitment process. For example, one Risk Management initiative focused on equality, mental health and internationalism under the banner “Colourful Group Risk Management”. Group Services also celebrated the lived diversity of its workforce through the “COO.bunt” (COO.colourful) campaign. The aim is to further increase the proportion of female candidates for management positions when filling new positions. A detailed overview of the proportion of female employees broken down by management level can be found in our GRI Report.

Inclusion

The inclusion of people with disabilities is another integral component of our diversity strategy. Commerzbank is guided by the legal requirements of the German Social Code Book IX (SGB IX) and has been fulfilling the statutory quota for the employment of people with disabilities for nine years. As early as 2018, Commerzbank was the first bank in Germany to publish an "Action Plan for Inclusion 1.0" (German: „Aktionsplan zur Inklusion 1.0 gemeinsam verschieden“) based on the UN Convention on the Rights of Persons with Disabilities. Under this action plan, we have implemented major goals and measures by the end of 2023 to improve the situation for people with disabilities at Commerzbank. This includes employees as well as customers and suppliers of the Bank. With our Action Plan 2.0 “Sustainably inclusive” presented in 2023, Commerzbank is broadening its focus and linking inclusion even more closely with its commitment to diversity and sustainability. Under the banner of “Sustainably inclusive”, the Bank is dismantling further barriers in order to change the framework conditions for people with disabilities in the economy, improve access to the labour market and make products accessible for our customers. With regard to the German Act to Strengthen Accessibility, which came into force in 2021, the Bank is pursuing the goal of ensuring barrier-free access to its mobile apps, online banking and self-service devices, such as ATMs and banking terminals by 2025.

The result: Commerzbank Aktiengesellschaft has consistently exceeded the legal requirement of 5% employees with disabilities in recent years, and – at 5.6% the year under review – met the quota in 2023 as well.

2.2 Business Partners

When choosing our business partners, we also contribute to the respect and promotion of human rights within the scope of our possibilities. In our Code of Conduct (see chapter 3) we establish Commerzbank's understanding of human rights for our business partners worldwide, and our commitment with upholding them. Compliance with human rights standards by our suppliers and service providers is also an integral part of our purchasing and procurement guidelines. Our procurement standards clearly regulate the ecological, social, and ethical requirements for our suppliers and service providers. All suppliers and service providers who do business with us ensure that they comply with the specific human rights and environmental requirements set out in this standard. Furthermore, our business partners also require suppliers and service providers to comply with the relevant requirements. Compliance with social standards is the subject of annual supplier meetings. During supplier selection, event-related analyses are carried out by the Reputational Risk Management. Violations of these standards by business partners can lead to the termination of the business relationship.

With the implementation of the LkSG (Supply Chain Due Diligence Act), Commerzbank Aktiengesellschaft is subject to regulatory and legal obligations to ensure appropriate internal safeguards and controls for the prevention and remediation of human rights and environmental risks. This includes an automated control and monitoring tool that initially checks and continuously monitors all existing and newly established business relationships. In line with the due diligence requirements of the LkSG, Group Compliance conducts an annual risk analysis to identify short-, medium-, and long-term human rights and environmental risks associated with business partners and to identify vulnerable groups along the entire supply chain. In the event that such risks exist, effective and appropriate remedial measures are taken, in accordance with the guidelines of the Federal Office for Economic Affairs and Export Control (BAFA), which will contribute in the short, medium, and long term to preventing human rights or environmental risks, as well as ending actual or imminent socially harmful activities.

The risk analysis conducted in 2023 initially showed that 90% of our suppliers operate in EU member states, the United Kingdom, and other European countries. An additional 4% of our suppliers operate in the service sector in the United States. In the initial risk analysis, risks were identified within our own business area and with immediate suppliers, which in the majority of cases can be attributed to the following risk categories: disregard for occupational health and safety hazards, disregard for freedom of association and the right to collective bargaining, violation of the prohibition of discrimination in employment, disregard for occupational health and safety hazards, violation of the prohibition of withholding adequate wages.

Preventive measures have been taken to mitigate the identified risks.

2.3 Customers

We also take human rights aspects into account in our business activities with our customers. Fairness and competence are our guiding values when dealing with our customers. To this end, we have evaluated and aligned our products, consulting, and services to meet our standards of fairness and competence as well as responsibility and sustainability. Transparency and traceability of products and services are just as important as respect, recognition, and responsibility in daily activities.

Universal human rights are protected by national and international legislation. We also ensure that our customers' business activities do not violate human rights. In addition to our employees, the compliance department in particular checks whether the relevant national and international laws and guidelines are complied with by us and in our customer relationships. Both for new and existing customer relationships, Commerzbank conducts comprehensive checks and documentation in accordance with the "Know Your Customer" principle (KYC), taking into account all relevant legal and regulatory requirements.

During the customer relationship, the bank applies additional due diligence measures on a risk-based approach. This includes, on one hand, the analysis of customer transactions to identify money laundering risks, and on the other hand, the daily screening of the customer database against sanction lists, as well as real-time screening of cross-border payments against sanction lists.

The employees of Group Compliance contribute to fulfilling our corporate responsibility. They ensure compliance with embargoes and sanctions against human rights-violating regimes, as well as the implementation of measures to prevent money laundering and terrorism financing.

The core of this is customer due diligence, which involves assessing the customer's risk based on various criteria. In this context, we also examine whether there is negative information about the customer, including criminal charges, complaints, or convictions. We also check whether a court or supervisory authority has imposed civil, administrative, or criminal measures or sanctions, including public warnings, and if so, how serious they were and whether the customer has rectified the identified deficiencies.

The customer's risk classification has implications for the audit requirements when establishing a business relationship as well as for existing business relationships. Customer due diligence is part of our comprehensive compliance risk management, the structure of which is explained in greater detail in Chapter 3 on governance risks.

The applicable internal guidelines for carrying out these measures are reviewed and updated at least once a year. Moreover, changes are made during the year as necessary due to altered regulations.

In Reputation Risk Management, businesses and business relationships in which human rights play a significant role, such as mining, resource extraction, or the cotton sector, are extensively researched, analysed, and given a differentiated assessment. This can lead to the rejection of the corresponding business or the termination of the business relationship. The assessment is based on defined environmental and social minimum standards, as well as associated exclusion criteria. In the ongoing evaluation of business and business relationships, we review and assess whether these standards are met on an individual basis. In addition to general exclusionary criteria and minimum standards, allegations against the respective companies or projects are also considered in the context of differentiated individual case reviews. To this end, we draw on information and reports from non-governmental organisations (NGOs) and analysts as well as media reports and company publications. Particular attention is paid, for example, to allegations in the context of child and forced labor, disrespect for human rights (especially the rights of local communities and indigenous peoples) and the failure to respect workers' rights. Ecological factors such as reports on the harmful effects on protected areas (e.g. High Conservation Value Areas, UNESCO World Heritage), the use of environmentally harmful chemicals or illegal slash-and-burn are also taken into account as part of a case-by-case assessment.

NACE-Sector	Context/Exclusions/Assessment criteria
A Deforestation and agricultural commodities	
	Context: The destruction of the rainforest is proceeding at an ever-increasing pace. Most tropical rainforest deforestation is due to the cultivation of agricultural commodities such as palm oil or soy. This deforestation leads to loss of biodiversity and threatens valuable functions in the ecosystem. We have, therefore, defined requirements for companies that are active in sectors and regions with a particularly high risk of deforestation. We specifically look at internationally acknowledged industry standards and continuously monitor other relevant memberships and certification schemes, and will take them into account if the levels of ambition and acceptance are comparable.
	Exclusions: For corporate clients the following applies: • No new business relationships with forest-owning forestry companies (including forest-owning paper/pulp companies) operating in high-risk are-as that do not have Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification Scheme (PEFC) accredited Forest Management certification. With regard to the high-risk areas, we are guided by the Forest 500 High Risk Country List by the NGO Global Canopy. • No new business relationships with palm oil growers and traders, unless they are members of the Roundtable on Sustainable Palm Oil (RSPO) and have achieved RSPO certification. • No new business relationships with companies that breed cattle and/ or process live cattle into beef products in the Amazon basin, unless they are members of the Global Roundtable for Sustainable Beef (GRSB). • No new business relationships with companies that grow soy in the Amazon basin and/ or trade soy from the Amazon Basin, unless they have certification from the Roundtable on Responsible Soy (RTRS).
	Expectations regarding corporate clients: From corporate clients that are active in the sectors forestry, palm oil, soy and beef, we expect the following: - Forest-owning forestry companies (including forest-owning paper/pulp companies) that are active in high-risk areas must adopt a Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification Scheme (PEFC) accredited Forest Management certification by the end of 2025. With regard to the high-risk areas, we are guided by the Forest 500 High Risk Country List issued by the NGO Global Canopy. - Palm oil growers and traders must be members of the Roundtable on Sustainable Palm Oil (RSPO) and must achieve RSPO certification by the end of 2025. - Companies that either breed cattle in the Amazon Basin and/ or process live cattle into beef products in the Amazon Basin must become members of the Global Roundtable for Sustainable Beef (GRSB) by the end of 2025. - Companies that grow soy in the Amazon Basin and/ or trade soy from the Amazon Basin must adopt a Roundtable on Responsible Soy (RTRS) certification by the end of 2025.
	Apart from the above, we also consider the following aspects: <u>Cotton</u>: In business relationships with companies in the cotton industry, Commerzbank evaluates the membership of its clients in the Better Cotton Initiative positively. <u>Tobacco:</u> Business relationships with tobacco producers and cigarette manufacturers are subject to a detailed case-by-case review at Commerzbank.
B Mining	
	Context: Raw materials such as coal, uranium, diamonds, base and precious metals, ferrous and non-ferrous metals (including aluminium, lithium or silver) or rare earths (non-exhaustive list) are extracted through mining. Conflict materials are tin, tantalum, tungsten, respective ores and gold, which are mined in conflict and high-risk areas, thus potentially resulting in the financing of armed groups through these mining activities. These raw materials are essential for many economic sectors. Nevertheless, mining projects often have negative impacts on the environment and local residents.
	Exclusions: The following applies to uranium mining: Commerzbank does not finance uranium mines. The following applies to gold: Commerzbank only purchases gold from suppliers who apply the Organisation for Economic Co-operation and Development (OECD) guidelines or comparable regulations.
	Assessment criteria: In the area of mining, Commerzbank evaluates business and business relationships with companies that extract raw materials outside the countries of the Organisation for Economic Cooperation and Development (OECD) or in conflict and high-risk areas. In order to identify conflict and high-risk areas, we use relevant, publicly available sources. For the mining of fossil fuels such as coal, the guideline for fossil fuels adopted by the Board of Managing Directors of Commerzbank AG applies (section D, Fossil Fuels).
C Energy	
	Context: Energy production is associated with many risks: Burning fossil fuels exacerbates the climate crisis. The operation of nuclear power plants, including the complex disposal of waste, carries the risk of releasing radioactive radiation. Larger hydropower projects can be associated with risks for the environment and the local population. In addition to the inherent risks to people and the environment posed by individual energy sources, the construction of new power plants can lead to the displacement of indigenous peoples or the destruction of nature reserves with the associated loss of biodiversity. In the energy sector, Commerzbank pays particular attention to the sub-topics of energy generation from fossil sources, nuclear power, and hydropower. Energy generation from fossil fuels is dealt with separately in section D (Fossil fuels).
	Exclusions: The following applies to nuclear power: Commerzbank does not finance new nuclear power plants as a matter of principle.

NACE-Sector	Context/Exclusions/Assessment criteria
	In the **sub-topics** mentioned, we particularly consider the following aspects: Nuclear power: Following the reactor catastrophe in Fukushima, Japan, Germany decided to phase out nuclear power. In addition to excluding the financing of new nuclear power plants, we subject other business and business relationships related to nuclear power to a critical case-by-case review, which can lead to rejection. Hydropower: In addition to the general positions and guidelines applicable to the energy sector, Commerzbank also takes other adverse news into account, for example, reports on potential conflicts arising from competition for water resources (e.g. between neighboring countries) as well as allegations of non-compliance with guidelines (e.g. recommendations from the World Commission on Dams (WCD)) in the context of business and business relationships involving hydropower generation and the construction of dams.
D Fossil fuels	
	Context: The burning of fossil fuels is a major contributor to climate change. As such, the burning of thermal coal, oil, and gas for energy production is highly criticised. Their extraction also carries risks and often negatively impacts other environmental aspects, indigenous peoples, workers, and local residents. The German government now wants to phase out coal combustion by 2030. At the international level, the 2015 Paris Agreement calls for limiting global warming to well below 2° C – or preferably 1.5° C. Yet oil and gas are still essential for the global energy supply. The Board of Managing Directors of Commerzbank AG has issued clear rules for dealing with business partners and business in the fossil fuels sector within the framework of the binding "Guideline for fossil fuel-related business and business relationships at Commerzbank AG". For thermal coal, the guideline covers the key elements of the process chain from extraction through infrastructure to power generation in power plants.[1] The underlying data for the guideline, which has been in force since 2022, is the Global Coal Exit List, which is compiled and regularly updated by the non-governmental organisation Urgewald. In the oil and gas sector, the key areas of the upstream, midstream and power generation sectors are subject to binding regulations. In the context of oil and gas, we use the Global Oil and Gas Exit List of NGO Urgewald as a means of operationalisation.
	Exclusions: The following exclusionary criteria apply to the fossil fuel sector (thermal coal, oil and gas): • No financing of mining projects related to coal extraction through the Mountain Removal (MTR) process and no business relations with companies that extract coal through this process. • No financing of projects for the expansion or new construction of coal mines, coal infrastructure, and coal-fired power plants. • No new business relationships with companies that are active in the coal mining sector, the coal infrastructure sector or the energy supply sector and exceed the threshold of 20% (coal share of revenue or power generation) or that have expansion plans in the coal sector. • No funding for any oil and gas extraction projects (conventional and unconventional development methods such as fracking, arctic drilling, tar sands, ultra-deep-water drilling). • No financing for projects for new oil-fired power plants. • No new business relationships with companies with expansion plans in the oil and gas sector (upstream, midstream and power generation). Our expectations of our clients We expect our clients involved in coal mining, coal infrastructure, or coal-fired power generation to • generate no more than 20% of their sales or power generation from thermal coal and • have no plans to expand in this field of business. If clients do not currently meet these requirements, they must submit a plan by the end of 2025 of how to phase out coal by 2030. Moreover, no expansion in the coal sector will be permitted after the end of 2025. If these conditions are not met, Commerzbank will terminate the business relationship.[2] We also expect a sustainable transformation from our clients in the oil and gas sector. For this reason, Reputational Risk Management performs an annual critical case-by-case assessment of customer relationships with regard to environmental and social aspects. This assessment can lead to the termination of a business relationship.
	Other requirements: Modernisation of coal-fired power plants: Financing of projects for the modernisation of coal-fired power plants will be assessed critically on a case-by-case basis. Factors such as lifetime extensions, retrofits, and conversions (e.g. to biomass), reduction of pollutant emissions through better filters, and “Carbon Capture, Utilisation, and Storage (CCUS)” technologies will be considered. Other provisions for financing projects: Financing of projects for the construction of new pipelines and Liquified Natural Gas (LNG) infrastructure, new gas-fired power plants, and new dual-fuel power plants will be critically assessed on a case-by-case basis by Reputational Risk Management.
E. Defence and surveillance technology	
	Context: Commerzbank recognizes self-defence as an inherent right of states, especially in the context of Article 51 of the Charter of the United Nations. Hence, we do not question the necessity of the German Armed Forces (“Bundeswehr”) and its appropriate equipment. Therefore, we continue to finance arms manufacturers that produce arms and weapons systems for the Federal Republic of Germany and its allies, such as the European Union. Nevertheless, with the introduction of the Guideline Governing Armaments Transactions in 2008, we set clear boundaries for business and business relationships relating to the critical defence sector. With the revision of our guideline, we have broadened these boundaries. The revised Guideline on Defence and Surveillance Technology was adopted by Commerzbank's Board of Managing Directors in January 2023. It is based on positions of the German government, the European Union, the United Nations, on other international agreements as well as on principles of various non-governmental organizations and sets out clear rules and restrictions.

[1] Municipal utilities don't fall within the scope of the guideline because of their contribution to energy security.

[2] In order to meet our societal responsibility and not to endanger a secure energy supply, operators of coal-fired power plants that have been classified as systemically relevant by the Federal Network Agency are excluded from this regulation. The status of the system relevance as well as transformation efforts will of course be continuously checked and evaluated.

NACE-Sector	Context/Exclusions/Assessment criteria
	Principles and exclusion criteria: Arms business and business relationships involving defence companies are generally only possible within the framework of the following principles and exclusion criteria: **1. Conflict zones and areas of tension** When assessing recipient countries in the context of arms business, criteria such as the current human rights situation, the fragility of states and the involvement in conflicts or wars are taken into account. For this purpose, we use renowned sources of information such as the Heidelberg Conflict Barometer of the Heidelberg Institute for International Conflict Research (HIIK) or the database of the Bonn International Centre for Conflict Studies (BICC). In general, the following applies: • Commerzbank does not participate in the financing of arms business involving countries classified as conflict zones and areas of tension. • Commerzbank does not enter into business relationships with arms manufacturers based in conflict zones or areas of tension. **2. Controversial weapons** Controversial weapons are military weapons that either cause disproportionate suffering to combatants or result in large numbers of casualties among uninvolved victims, particularly civilians. Many of these weapons are banned or prohibited by international agreements, making their production or use illegal in many countries. In the context of controversial weapons, the following applies: • Commerzbank does not participate in the financing of delivery transactions related to controversial weapons. • Commerzbank does not enter into business relationships with arms manufacturers who produce banned and prohibited weapons: Cluster munitions, anti-personnel mines, incendiary weapons, permanently blinding laser weapons, depleted uranium, and biological as well as chemical weapons. • Commerzbank does not enter into new business relationships with arms manufacturers who produce white phosphorus bombs or other white phosphorus weapons. Commerzbank expects existing clients involved in the production of white phosphorus weapons systems to submit an exit plan outlining the phase-out of such weapons by the end of 2025. **3. Autonomous weapons** Commerzbank does not participate in the financing of business related to fully autonomous weapons systems. Fully autonomous weapons systems (also referred to as: lethal autonomous weapons systems, LAWS) are those 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 in the critical functions, in particular target elimination. **4. Governmental end-recipients** Commerzbank generally only participates in the financing of arms business in which the final recipient is clearly identifiable and is a government body. **5. Laws and regulations** Commerzbank expects business partners to comply with all laws and regulations (e.g., embargo regulations, export license requirements, etc.).
	Assessment of other business and business relationships relating to defence and surveillance technology: Arms business and business relationships with arms companies not covered by the previously mentioned exclusion criteria are critically assessed on a case-by-case basis. In this context, Reputational Risk Management conducts a comprehensive evaluation based on external and internal information sources. The assessment can lead to the rejection of arms business and the termination or rejection of business relationships. Oppressive countries are increasingly using surveillance technologies to monitor and persecute, for example, human rights activists, certain population groups, journalists or opposition figures. Therefore, Reputational Risk Management critically assesses business relationships with companies that produce goods for digital surveillance, as well as the financing of respective business on an individual basis.
F Ship breaking	
	Context: Hundreds of ships are broken up every year, mainly in Asia. This is an important source of income for local economies and satisfies a significant part of the regional demand for steel. However, the ship breaking often takes place under poor working conditions that regularly leads to industrial accidents and fatalities. Moreover, this activity often pollutes coasts and seas.
	Exclusions: Commerzbank does not support business with shipyards that cannot demonstrate certification to EU standards or internationally recognised environmental and social standards.
	Assessment criteria: In order to counteract the risks described above, we verify that shipyards are certified according to EU standards or internationally recognised environmental and social standards (such as ISO 14001, ISO 30000, ISO 45001, Hong Kong Convention or IMO Resolution MEPC.210(63) “Guidelines for safe and environmentally sound ship recycling”).
G Textile	
	Context: Textile production in its entire manufacturing process, from cotton cultivation to processing, is the subject of public controversy due to child labour, other human rights violations, and international labour standards.
	Assessment criteria: In the context of business relationships with Large Corporates who import end products from the textile, shoe and leather industries, we take into account whether clients are members of the Alliance for Sustainable Textiles or the Ethical Trading Initiative.
H Petrochemistry	
	Context: Petrochemistry refers to the production of chemical products – such as precursors for the production of plastics – from natural gas and oil. According to forecasts by the International Energy Agency, the petrochemical sector is expected to account for more than a third of oil demand growth by 2030, or half of oil demand by 2050. This is heavily criticized due to the climate crisis. In addition, petrochemical companies are often criticized for environmental pollution, especially water and groundwater pollution, the resulting effects on the population, improper disposal of waste products and damage to the health of employees.
	Assessment criteria: Business relationships with petrochemical companies and petrochemical projects are critically assessed on a case-by-case basis at Commerzbank.

In the ongoing evaluation of business and business relationships, we review and assess whether these standards are met on an individual basis. To this end, we draw on information and reports from non-governmental organisations (NGOs) and analysts as well as media reports and company publications. The final evaluation of environmental and social risks is then carried out in Reputational Risk Management using a five-point scale (no, low, average, significant, high). This detailed assessment can lead to the rejection of the product, the business or even the business relationship itself.

In serious cases (high reputational risk), Reputational Risk Management has the option of imposing a veto, which can only be resolved by escalating the matter to the Board of Management level. We regularly update our assessment criteria for environmental, social, and reputational risks to reflect dynamic developments in the various areas. To this end, we continuously monitor publications by the media, NGOs and sustainability rating agencies on ecologically and socially controversial projects, companies and topics. Reputational risk assessments take place for new client relationships as well as existing client relationships and ad hoc due to specific reasons. Reputational Risk Management manages primary reputational risks using a qualitative approach.

2.4 Customer dialog and fair advice

For us, product transparency and fairness towards our customers mean providing holistic and comprehensible advice on financial products, their risks and possible alternatives in accordance with long-term needs. This also includes documenting the advisory process in transparent fashion. In recent years, we have introduced new products and services with particular customer benefits. These include a green ecosystem, green mortgage loans and the new “money mate” investment solution.

All Group units actively engage with their customers so as to take account of usage requirements in the (further) development of products and services. This ensures that the customer and/or user experience (CX/UX) with our products, services and channels meets up to our quality standards. From idea development and conception to design and development, customers are involved in the various product stages. This gives rise to a continuous dialogue, including in a UX studio set up specifically for this purpose.

The comdirect brand also carries out activities to foster customer loyalty within the “comdirect community”, where customers and others with an interest in the financial markets can discuss products and other financial topics with one another as well as with the Bank.

Commerzbank Aktiengesellschaft’s Corporate Clients segment takes account of regular customer surveys on specific topics for the further development of its range of products and services. This provides us with information on customer preferences and requirements, which can be used in the design of products and processes. In addition, Commerzbank Aktiengesellschaft actively involves its customers through various customer advisory councils. In a central advisory council and various regional advisory councils, selected figures from companies, institutions and public life have the opportunity to enter into direct dialogue with the Board of Managing Directors, find out about the performance of the business and contribute their experience and expectations.

SME topics are at the heart of Commerzbank’s “Unternehmerperspektiven” initiative (Business Owners’ Views). Once a year it surveys owners and top-level managers from companies of different sizes and from different industries. In 2023, 1,500 companies were surveyed as part of a study entitled “Wirtschaft nach der Zeitenwende: Wie resilient ist der Mittelstand” (Economy after the turn of the century: How resilient are SMEs?). The study employs a breakdown based on industry and size, with size brackets ranging from annual sales of €2–15m to over €250m. The survey of first-level managers focused on core topics such as current challenges and dealing with crisis situations, assessing company resilience and preparing for future crises.

With the amendment of the MiFID II Directive as part of the EU Action Plan on Financing Sustainable Growth, it became mandatory to ask about sustainability preferences when providing investment advisory and financial portfolio management services. Our investment advisory teams received intensive training on this topic. As part of the fact-finding stage, we educate customers about the three sustainability standards defined in the guideline and ask about their sustainability preferences. Where they have a sustainability preference, customers subsequently decide on the share of their investments to be put into sustainable assets. The advisory universe in the Private and Small-Business Customers segment comprises some 500 financial instruments that meet at least one of the sustainability standards defined by MiFID II. Regardless of this, sustainability is generally an integral part of various consulting tools, for example in dialogue with our small-business customers and in wealth management.

To make Commerzbank’s products and services available to all interested parties and customers, we also go to great lengths to ensure that our branches and online offering are fully accessible. Around two-thirds of our branches are accessible at ground level. We strive to ensure accessibility for all user groups where possible whenever we renovate a branch or install an ATM. All self-service terminals in the self-service areas of Commerzbank Aktiengesellschaft are equipped with (partial) read-aloud functions for the visually impaired.

2.5 Products and Services designed to deliver a specific Social Benefit

Products and services that have a specific social benefit cannot be clearly separated from other products and services, as the social benefit largely depends on the purchasing motives of customers, which are beyond our evaluation. However, there are a number of offerings, especially in the retail banking business, that include a social benefit. These include financing for homeownership and retirement solutions. In 2023, our gross construction savings business amounted to around €3.06bn. In the current highly volatile and rising interest rate environment, the focus is primarily on refinancing existing properties.

In addition, risk protection and private retirement planning remain relevant advisory topics. Our retirement portfolio also includes products for risk protection, such as life insurance and disability insurance, as well as other products for building retirement savings (private pensions).

The current overall societal situation does not leave people unaffected. To provide financial relief to retail customers in the current situation of high inflation rates and strained energy supply, we continue to offer payment breaks for instalment loan which go beyond the legally required deferrals. We inform our customers in a timely manner about the end of the payment break.

Regarding company pension plans, Commerzbank takes sustainability aspects into account domestically by making it a prerequisite for asset managers to sign the UN Principles for Responsible Investment (PRI) in the selection process. The complete overview of products and services that we classify as sustainable, including detailed explanations, as well as the description of the methodology used for assessment, can be found in our ESG framework, as mentioned before. Further details are provided in Chapter 5 of our GRI report.

2.6 Social commitment

We also consider justice, participation and social cohesion to be important elements in preventing or mitigating social risk. Together with partners from business and society, we therefore implement a wide range of projects and initiatives that make a contribution to society.

Commerzbank Aktiengesellschaft in Germany also donated a total of €69,113 to various institutions and organisations in the year under review.

As in the previous year, Commerzbank decided not to produce a big Christmas film for its customers in 2023 and instead donated the money to charitable causes. The donation by the Bank combined with the participation of employees and customers helped collect more than €300,000 for food banks in Germany in 2023. In 2023, the campaign benefited brotZeit e.V. – an association that promotes equal opportunities by providing free breakfasts at primary schools and schools for children with learning difficulties.

In order to send a clear signal against all forms of hatred and anti-Semitism, we took a stand on the issue in October 2023 by means of an advertisement in two national Sunday newspapers, together with numerous other German companies.

Commerzbank Aktiengesellschaft is also involved in the “Finanz-Heldinnen” (“financial heroines”) initiative to get more women interested in finance. The initiative was set up in 2018 by a group of female comdirect employees with the aim of making a positive contribution to society. To help women become better acquainted with the topic of finance and make independent financial decisions, the financial heroines convey their knowledge through a variety of formats, including an online magazine, podcasts, afterwork events and an Instagram channel, as well as the bestselling book “Der Finanzplaner für Frauen” (Financial planner for women).

As a “Corporate Citizen", Commerz Real wants to make an active contribution to society in the communities in which it operates. Donations of money, material and time are mobilised for this purpose each year. For example, Commerz Real makes a financial contribution to selected social organisations that support disadvantaged children. In addition, employees fulfil children’s Christmas wishes with donations in kind as part of the “Wish Tree Campaign”. At the Social Days 2023, just like in the previous year, employees were given the opportunity to invest their time for a good cause: on one day, more than 140 people embraced the spirit of social commitment and helped out on the ground in social meeting places. The aim was to improve networking for residents in places with greater social needs, to reduce prejudices and to improve living situations in the area. Commerz Real is also continuing its existing work supporting disadvantaged children and promoting digital education at schools.

In 2023, mBank was the exclusive banking partner and sponsor for the sixth time of the Great Orchestra of Christmas Charity Foundation (GOCC). Via its customers, mBank has raised a total of more than €22m (97m Polish zloty) for the initiatives selected by the GOCC Grand Finale over the last six years. The war in Ukraine is a constant presence, especially in neighbouring Poland. mBank started a partnership with a non-governmental organisation – the Polish Centre for International

Aid (PCPM) – allowing customers to donate money to help people fleeing the war. The Bank’s online payments enable donations to be linked directly to this organisation. More than €3m (14m Polish zloty) were donated by customers. Customers can deposit money via online banking, the mobile app or the website using the “Ich helfe” (I’d like to help) button developed with Paynow. PCPM provides these funds for the reconstruction of destroyed Ukrainian cities, schools, hospitals and other critical infrastructure, so that refugees can return to their homes. A Ukrainian primary school for around 230 students was housed at mBank’s premises in the 2022/2023 school year.

Environmental internship

One example of our social and environmental engagement is the Commerzbank environmental internship launched with the German national parks back in 1990. In 2023, it again provided around 60 students with practical experience in the areas of environmental education and public relations in national parks and biosphere reserves. Commerzbank finances the internships, while the umbrella organisation Nationale Naturlandschaften e.V. organises the programme, and the protected areas provide the interns with hands-on training and support. More than 2,000 students have now completed an environmental internship and subsequently applied their experience to business, politics, society or environmental protection.

Commerzbank Foundations

Various foundations supported by the Group over the long term also make a significant contribution to society. As a corporate foundation, the Commerzbank Foundation promotes the social responsibility of its founding company to work towards a society fit for the future. Its motto is: participation creates the future. With its independent foundation, Commerzbank takes responsibility for its sustainable commitment to be a “good citizen” of the community that goes beyond its actual business activities. Since its establishment in 1970, the Commerzbank Foundation has built up many sustainable partnerships across Germany and has thus become a firmly established provider of support in the world of German foundations.

In its more than 50-year history, it has provided a total of around €40m to support well over 1,000 projects relating to cultural, social and scientific activities. Its partnership network ranges from museums and theatres to non-profit social organisations and scientific institutions, from national lighthouse projects to exemplary local initiatives.

The funding always supports cultural education and mediation, social participation for disadvantaged people and incentives for young researchers. In addition, seven social foundations have been established to provide financial support to active and retired employees in unforeseeable emergencies. The common aim of all the foundations is to make a long-term and sustainable contribution to the future viability of society. Commerzbank Aktiengesellschaft provided a total of €638,000 in funding for these foundations in 2023, covering expenses such as staff, workstations, premises costs and other operating costs.

mFoundation in Poland focuses on mathematical literacy. It supports children, parents, teaching staff, students, and young scientists with multiple funding programmes. In 2023, this included programmes for schools and nursery schools and a competition for the best academic thesis in mathematics. Young artists are another focal point. Through its “M für mBank Malkunst-Sammlung” (M for mBank painting collection) fund, the Bank buys paintings by up-and-coming Polish artists. These artworks are selected on behalf of mBank by a committee of highly regarded representatives of the art market and a representative of mBank. By the end of 2023, the collection consisted of 131 works of art.

2.7 Maintaining dialogue

Receiving feedback from and exchanging ideas with stakeholders is important to Commerzbank. We maintain close contact with our key stakeholder groups through in-person meetings, discussion events, strategic partnerships, as well as numerous forms of public communication, such as our website and our annual sustainability report that we publish as per established standards. We use these formats to provide information about our sustainability goals and progress towards achieving them, but also to learn as an organisation from feedback.

In addition to the important dialogue with our clients described above, we also communicate regularly with our investors on ESG issues, and our sustainability commitment is regularly reviewed by the rating agencies.

For Commerzbank, active dialogue with NGOs is also a decision-making and planning aid for our corporate strategy. So, prior to the presentation of the fossil fuel guideline published in December 2021, we held intensive consultations with one NGO in particular, which had offered critical support for previous guidelines and made constructive suggestions for improvement.

As a commercial bank with international operations, Commerzbank is expected by policymakers and the general public to issue statements on relevant economic policy issues. In order to act as an advocate for political stakeholders at both German and international level, we maintain liaison offices in Berlin, at the European Union in Brussels, and at the International Institute of Finance (IIF) in Washing-ton. Here, the responsible Public Affairs department follows the political- regulatory debates and upcoming legislative proposals. After ana-lysing these, we develop our own positions on the relevant issues and discuss them with stakeholders from the political arena. Commerzbank is registered on the EU’s transparency register and on the lobby register of the German parliament. We have summarised principles and guidance for our work in this area in our publicly available policy on political communication.

3. Governance Risk

We understand governance to refer to responsible corporate management in line with the interests of internal and external stakeholders. That of course includes compliance with national and international laws, but it also encompasses in particular the consideration of ethical standards.

Integrity is the basis of our business model. We act in an attentive, trust-worthy, and reliable manner. In this way, we create perspectives for demanding people and companies. The globally binding Code of Conduct summarises our understanding of impeccable ethical and moral behaviour. It goes beyond legal and regulatory requirements and sets standards for Commerzbank Group employees and service providers.

Compliance with our code of conduct is ensured through a comprehensive set of internal rules, appropriate audit processes and controls, and corresponding organisational structures.

Group Compliance manages as proactive risk management function compliance risk throughout the entire organization and laying the foundation for adherence to laws, standards, and regulations.

We strive to effectively manage and identify compliance risks before they materialize. The identification and management of compliance risks are carried out through an implemented and continuously evolving compliance program that covers all types of compliance risks. Components of the program include regular group-wide compliance risk analysis, internal safeguards and controls to assess the adequacy and effectiveness of the compliance management system.

To meet the growing complexity of national and international laws and regulations, the Group continuously develops and adapts its compliance risk management to current developments and challenges.

Within Commerzbank, the principles of the "Three Lines of Defence" model for risk management, which include detection, prevention, and remediation of risks or violations, also apply to this risk type.

The focus of compliance activities lies in

- preventing and detecting money laundering, terrorism financing,
- compliance with financial sanctions and embargoes, combating market abuse (insider trading and market manipulation),
- prevention of criminal acts such as fraud, bribery and corruption related to business operations,
- conflict of interest management, and investor protection,
- compliance with human and environmental risks in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains.

The bank operates a whistleblowing system that allows for anonymous reports from employees, customers, and third parties regarding potential rule violations, and diligently investigates such reports, including through internal investigations.

Furthermore, we ensure the protection of insider information and other confidential data about our customers and their transactions based on the need-to-know principle. The Compliance department of Commerzbank has extensive directive and escalation rights, as well as information and investigation powers to enforce its requirements throughout the Group.

The established KYC processes within the scope of customer due diligence, as described in Chapter 2.3, are a significant focus in combating money laundering and terrorism financing. In particular, new and existing customers are screened for negative news, such as convictions related to environmental crimes or human rights violations. In the fight against corruption and bribery, we not only comply with legal obligations such as the German Criminal Code, the UK Bribery Act, or the US Foreign Corrupt Practices Act but also adhere to 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. These external standards are supplemented by internal policies that are reviewed at least annually and updated as needed. The Global Anti-Bribery and Corruption Policy (ABC Policy) actively addresses bribery, improper advantages, and other forms of corruption. This includes additional bank-wide measures such as specific guidelines regarding gifts and invitations. Moreover, our business partners are continuously screened for corruption-related hits in commercial databases, both during the business initiation phase and throughout the business relationship. For several years, newly negotiated contracts between Commerzbank and service providers have included a binding integrity clause. We conduct regular training sessions with our employees to ensure competent and consistent implementation of our guidelines. A key element is the mandatory annual anti-corruption training for all employees. External personnel were also required to complete web-based compliance training. Business and functional units with an elevated risk profile, as well as individuals exposed to a higher risk of bribery and corruption due to their function within Commerzbank, receive additional targeted training.

Wherever business interests are involved, conflicts of interest may arise. We are doing our utmost to avoid such conflicts. However, this is not always possible. Therefore, we expect our employees to exercise diligence and honesty, act lawfully and professionally, adhere to market standards, and, above all, consider the interests of our customers. We have established our Global Policy for Conflicts of Interest to guide how conflicts of interest should be handled in accordance with the binding code of conduct for all employees and management of Commerzbank, in line with the company's values. The Global Policy for Conflicts of Interest is reviewed and updated at least every 12 months. In the event of significant events, such as regulatory changes, an ad-hoc review (unscheduled adjustment) is conducted.

Further information on the management of compliance risks can be found in Chapter G. Other Risks on page 125 of the disclosure report as of December 31, 2023, and explanations regarding the examination of new and existing customer relationships in Chapter 2.3 of this appendix.

3.1 Complaints Procedure

An appropriate and effective complaints mechanism an important part of our due diligence processes to effectively prevent and remedy potential adverse human rights and environmental impacts in our own business and supply chain. Therefore, we have aligned our whistleblowing system Business Keeper Monitoring System (BKMS) with the requirements of the LkSG. In addition to the established contact channels through this online whistleblowing platform employees, suppliers, and third parties can provide information to the Commerzbank Group.

It provides a confidential communication channel for reporting potential violations, including human rights and environmental rights. Access to the whistleblowing system is communicated in an appropriate language. Reports can also be made anonymously and are possible from both within and outside the company.

All reported information and substantiated suspicions regarding potential violations of human and environmental rights are processed through a transparent, balanced, and predictable process involving all parties concerned. The confidentiality and anonymity of whistleblowers are maintained. To the extent possible and within our sphere of influence, we ensure that whistleblowers are protected from retaliation and punishment in connection with their submitted complaints. Our systematic handling of complaints and the insights gained from them enable us to continuously improve our human rights and environmental due diligence processes. This approach is outlined in our publicly available procedural rules.

Quantitative Requirements

The quantitative requirements according to Implementing Regulation (EU) 2022/2453 of the Commission include quantitative information on transition risks from climate change, physical risks from climate change, risk mitigation measures related to environmentally sustainable economic activities [1], and other risk mitigation measures and risk positions from climate change-related risks [2]. This disclosure report provides the required information on reporting templates 1 to 8 and 10 as of 30 June 2024.

The disclosure in this report includes in addition to previously published templates financed greenhouse gas emissions (Scope 1, 2, and 3 emissions) in template 1, the alignment metric in template 3, the EU Taxonomy-based templates 6, 7, and 8, as well as the Climate Change Mitigation (CCM) classification in templates 1 and 4.

The calculation of financed emissions is based on the international PCAF standard, and in addition to available information from external and internal databases, we have established bank-specific calculation methods.

For the calculation of alignment metrics, we have already taken the first step by determining CO2 reduction pathways as part of our SBTi commitment, calculating physical CO2 intensities for particularly CO2-intensive industries. To fully meet the disclosure requirements, we have reported the required alignment metrics in template 3 based on this information.

As of this reporting date, we again disclose the EU Taxonomy templates (6-8). The basis for this is the information according to Taxonomy Regulation (EU) 2020/852. This means that transactions financing or investing in economic activities within the meaning of the EU Taxonomy, referred to as Taxonomy-eligible transactions, have been screed for Taxonomy alignment. This allows us to determine whether the respective transaction can be considered sustainable according to the EU Taxonomy, meaning it makes a positive contribution to one of the defined environmental objectives, does not significantly harm any of the other objectives, and complies with the minimum social safeguards. According to the requirements of Implementing Regulation (EU) 2022/2453 of the Commission, the Green Asset Ratio (GAR) must be disclosed only once based on the turnover alignment of the counterparty for the general purpose lending part. Further information on the calculation of GAR can be found in the "Incorporating EU Taxonomy" section of the annual report starting from page 54.

Content of Template 1

Template 1 discloses information on risk positions towards non-financial corporations (NFCs) operating in sectors with high CO2 emissions. This encompasses the assessment of the risk positions' quality, which takes into account factors such as their non-performing status and classification to stage 2, and maturity bands. Risk positions of companies that are excluded from the Paris Agreement because of their economic activity or main activity in accordance with the requirements in Article 12(1) (d) to (g) and 12(2) of Regulation (EU) 2020/1818 (EU Climate Transition Benchmarks Regulation) are presented separately. Starting from the reporting date 31 December 2023, we disclose the financed Scope 1, 2, and 3 emissions of the relevant counterparties in template 1. We also provide qualitative information on the methodology and sources used to calculate these emissions. Furthermore, template 1 also provides information on positions that are classified as environmentally sustainable according to the Climate Change Mitigation (CCM) classification.

Template 1 covers the information pursuant to Article 449a of the CRR as of 30 June 2024.

[1] Economic activities that are considered environmentally sustainable according to Article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council (*1) towards counterparties subject to Articles 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council (*2), towards households, and towards local authorities according to Annex V Part 1 Number 42 letter b of Implementing Regulation (EU) 2021/451 of the Commission (*3).

[2] Climate change-related risks that are not considered environmentally sustainable economic activities according to Article 3 of Regulation (EU) 2020/852, but support counterparties in the transition or adaptation process towards climate protection and adaptation goals.

EU Template 1: Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity (Banking book)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	**Gross carrying amount**					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**			**GHG financed emissions²**		**% GHG emiss-ions³**	**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Ø matu-rity**
	€m		**exclu-ded from this ¹**	**Of which environ-mental-ly sus-tainable (CCM)**	**Of which stage 2 expo-sures**	**Of which non-perfor-ming expo-sures**		**Of which stage 2 expo-sures**	**Of which non-perfor-ming expo-sures**		**Of which Scope 3 financed emissions**						
1	Exposures towards sectors that highly contribute to climate change*	87,732	13,319	3,142	9,903	2,658	–1,977	–273	–1,562	48,132,783	26,437,385	0%	64,823	13,495	7,011	2,404	4.1
2	A - Agriculture, forestry	729	-	0	68	11	–6	–1	–4	2,103,092	413,471	0%	610	72	41	5	2.8
3	B - Mining and quarrying	1,874	771	1	87	74	–13	–7	–6	1,743,831	545,385	0%	1,505	189	180	-	2.5
4	B.05 - Mining of coal and lignite	765	77	-	0	69	–4	0	–4	133,549	40,890	0%	733	33	-	-	0.4
5	B.06 - Extraction of crude petroleum and natural gas	673	673	1	0	-	0	0	-	897,109	256,961	0%	392	101	180	-	4.9
6	B.07 - Mining of metal ores	148	-	-	74	-	–6	–6	-	322,626	99,290	0%	123	25	-	-	2.8
7	B.08 - Other mining and quarrying	264	-	-	13	6	–2	0	–1	303,398	118,512	0%	244	21	0	-	1.9
8	B.09 - Mining support service activities	23	22	-	0	0	0	0	0	87,150	29,732	0%	13	10	-	-	5.6
9	C - Manufacturing	33,688	1,624	177	4,684	1,323	–993	–109	–846	19,706,290	13,575,147	0%	29,229	3,725	717	17	2.3
10	C.10 - Manufacture of food products	3,016	-	-	350	42	–30	–11	–16	3,229,908	2,662,703	0%	2,597	279	132	8	2.6
11	C.11 - Manufacture of beverages	470	-	-	35	3	–1	0	–1	581,360	492,371	0%	366	103	1	-	3.6
12	C.12 - Manufacture of tobacco products	323	-	-	1	0	0	0	0	214,708	170,719	0%	323	-	-	-	1.3
13	C.13 - Manufacture of textiles	257	-	-	21	13	–5	–1	–4	113,113	85,557	0%	190	62	5	-	3.3
14	C.14 - Manufacture of wearing apparel	276	-	0	121	22	–16	–2	–14	132,728	103,553	0%	233	3	40	-	2.7
15	C.15 - Manufacture of leather and related products	107	-	-	9	5	–1	0	0	47,623	37,013	0%	107	0	-	-	2.3
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	811	-	0	233	28	–11	–12	2	386,871	275,191	0%	560	250	1	-	4.0

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	**Gross carrying amount**					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**			**GHG financed emissions²**		**% GHG emiss-ions³**	**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Ø matu-rity**
	€m		**exclu-ded from this ¹**	**Of which environ-mentally sus-tainable (CCM)**	**Of which stage 2 expo-sures**	**Of which non-perfor-ming expo-sures**		**Of which stage 2 expo-sures**	**Of which non-perfor-ming expo-sures**		**Of which Scope 3 financed emissions**						
17	C.17 - Manufacture of pulp, paper and paperboard	747	-	0	95	14	−9	−1	−7	309,804	209,750	0%	616	105	26	-	2.9
18	C.18 - Printing and service activities related to printing	280	-	-	99	19	−12	−1	−9	91,751	63,579	0%	228	47	5	-	3.1
19	C.19 - Manufacture of coke oven products	553	551	-	89	91	−21	0	−21	776,609	476,933	0%	350	202	-	-	4.2
20	C.20 - Production of chemicals	2,696	866	1	333	84	−55	−12	−41	1,887,893	977,113	0%	2,227	290	179	-	3.2
21	C.21 - Manufacture of pharmaceutical preparations	1,118	-	0	143	1	−2	−1	0	652,412	366,461	0%	937	153	29	-	2.8
22	C.22 - Manufacture of rubber products	1,468	-	-	183	22	−12	−3	−7	972,708	612,853	0%	1,259	167	42	-	2.5
23	C.23 - Manufacture of other non-metallic mineral products	1,090	-	12	99	33	−26	−6	−19	1,345,287	706,871	0%	943	140	8	-	2.9
24	C.24 - Manufacture of basic metals	1,433	207	11	85	72	−52	−3	−48	2,436,997	1,476,727	0%	1,187	212	34	-	2.1
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	2,326	-	-	345	95	−65	−9	−52	1,592,011	1,155,350	0%	2,028	263	33	2	2.6
26	C.26 - Manufacture of computer, electronic and optical products	3,310	-	1	308	39	−27	−4	−21	1,480,485	902,469	0%	2,758	531	21	-	2.4
27	C.27 - Manufacture of electrical equipment	1,485	-	54	196	24	−14	−5	−7	473,410	353,735	0%	1,300	116	68	0	2.1
28	C.28 - Manufacture of machinery and equipment n.e.c.	3,579	-	13	463	218	−121	−15	−103	1,051,540	791,268	0%	3,213	312	46	8	1.9
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	5,682	-	72	773	362	−435	−11	−411	1,105,512	994,632	0%	5,378	287	17	-	1.4

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions[2]		% GHG emissions[3]	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Ø maturity
	€m		excluded from this [1]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
30	C.30 - Manufacture of other transport equipment	1,182	-	13	447	47	–26	–5	–20	292,401	266,397	0%	1,137	44	0	-	1.2
31	C.31 - Manufacture of furniture	295	-	-	69	36	–25	–2	–22	143,159	93,166	0%	240	44	12	-	3.1
32	C.32 - Other manufacturing	1,067	-	0	175	43	–22	–3	–18	308,298	251,845	0%	939	112	16	-	1.8
33	C.33 - Repair and installation of machinery and equipment	117	-	-	13	9	–6	–1	–5	79,704	48,893	0%	112	4	1	-	2.1
34	D - Electricity, gas, steam and air conditioning supply	11,272	9,286	2,853	710	71	–75	–12	–47	5,990,745	1,417,469	0%	5,188	3,502	2,213	369	7.0
35	D35.1 - Electric power generation, transmission and distribution	10,906	9,040	2,853	710	70	–75	–12	–46	5,017,894	1,314,674	0%	5,003	3,357	2,178	369	7.0
36	D35.11 - Production of electricity	8,329	7,480	2,840	665	20	–65	–11	–46	3,389,702	1,093,201	0%	3,384	2,780	1,917	247	7.7
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	272	168	-	0	0	–1	0	0	833,250	90,070	0%	123	119	29	-	6.5
38	D35.3 - Steam and air conditioning supply	93	78	-	0	0	0	0	0	139,601	12,725	0%	62	26	6	-	4.0
39	E - Water supply; sewerage, waste management and remediation activities	3,025	-	0	232	6	–14	–8	–2	3,103,688	402,544	0%	1,762	558	110	595	8.2
40	F - Construction	2,826	-	55	315	116	–95	–18	–69	865,791	718,835	0%	2,367	303	121	36	3.5
41	F.41 - Construction of buildings	1,401	-	4	136	48	–40	–6	–30	407,226	325,732	0%	1,192	158	16	35	3.7
42	F.42 - Civil engineering	509	-	7	50	23	–15	–2	–11	211,389	180,038	0%	384	71	53	0	3.7
43	F.43 - Specialised construction activities	917	-	43	129	45	–40	–10	–28	247,176	213,065	0%	790	73	52	1	3.0
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	13,765	1,452	12	1,540	417	–305	–46	–203	8,203,355	4,891,180	0%	12,571	993	198	3	1.6
45	H - Transportation and storage	6,159	186	43	354	132	–61	–6	–50	2,960,678	1,575,732	0%	3,824	1,397	931	7	4.6
46	H.49 - Land transport and transport via pipelines	1,700	186	1	125	80	–35	–4	–29	577,568	379,695	0%	1,284	240	174	2	3.9

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions[2]		% GHG emissions[3]	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Ø maturity
	€m		excluded from this [1]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
47	H.50 - Water transport	297	-	-	1	8	−8	0	−8	129,144	34,465	0%	49	144	104	-	8.3
48	H.51 - Air transport	1,755	-	-	76	21	−2	0	−1	1,400,819	737,302	0%	570	605	580	-	7.4
49	H.52 - Warehousing and support activities for transportation	2,118	-	16	148	20	−13	−2	−10	671,580	345,318	0%	1,666	375	72	5	2.8
50	H.53 - Postal and courier activities	289	-	26	4	3	−3	0	−2	181,566	78,953	0%	255	33	0	-	1.8
51	I - Accommodation and food service activities	918	-	-	461	38	−29	−7	−21	198,044	167,791	0%	684	191	43	-	3.5
52	L - Real estate activities	13,476	-	2	1,452	470	−387	−58	−314	3,257,268	2,729,832	0%	7,083	2,565	2,456	1,372	8.0
53	Exposures towards sectors other than those that highly contribute to climate change*	17,846	-	96	8,311	364	−417	−207	−208				11,812	2,303	1,709	2,023	8.3
54	K - Financial and insurance activities	553	-	1	79	-	−4	−3	-				185	43	251	74	12.1
55	Exposures to other sectors (NACE codes J, M - U)	17,294	-	95	8,232	364	−413	−204	−208				11,627	2,260	1,458	1,949	8.2
56	**Total**	**105,578**	**13,319**	**3,238**	**18,215**	**3,022**	**−2,394**	**−480**	**−1,770**	**48,132,783**	**26,437,385**	**0%**	**76,635**	**15,797**	**8,720**	**4,427**	**4.8**

1 Of which risk positions vis-à-vis companies excluded from the EU benchmarks as per the Paris Agreement under Article 12(1)(d) to (g) and Article 12(2) of Regulation (EU) 2020/1818.

2. Financed GHG emissions (Scope 1, Scope 2 and Scope 3 emissions of the counterparty) (in tons of CO2 equivalent); financed emissions are determined on the basis of the SBTi calculation methodology.

3. GHG issues (column (i)): Percentage of the portfolio derived from company-specific reporting based on gross carrying amount.

* In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (Climate Transition Benchmarks Regulation), recital 6: Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

The banking book positions (loans and advances, debt securities and equity instruments not held for trading) vis-à-vis non-financial corporations shown in template 1 are allocated to the respective NACE sectors on the basis of the counterparty's main activity. As a major financier of the German economy, we are also active in sectors that are particularly exposed to climate-related physical or transition risks. The figures as of 30 June 2024 show a basic distribution of risk positions across all NACE sectors, but we have only a small exposure in some of the sectors particularly affected (e.g. agriculture). Sectors that could potentially be more significantly affected by climate risks and that have a larger exposure are, for example, the energy sector and manufacturing industry.

Within the large position in the manufacturing industry, however, there is a high degree of heterogeneity in terms of the impact of climate risks. While some sub-sectors (e.g. steel production, cement production, automotive suppliers) are considerably affected by transition risks, climate risks are less pronounced in other sub-sectors.

The financed greenhouse gas emissions (GHG emissions) in metric tons of CO2 equivalent (tCO2e) are calculated according to the International Standard for measuring GHG emissions Scope 3 - Category 15 by the Partnership for Carbon Accounting Financials (PCAF). The underlying PCAF calculation methodology is based on the financial portion of a credit financing in a company or its enterprise value and the total emissions of that company.

As of 30 June 2024, all financed GHG emissions were determined usings on economic emission factors (based on Asset Turnover Ratio) from the PCAF database, as well as company-specific emission factors from Asset Impact. We use external EVIC data and internal databases for customer-specific balance sheet data as financial parameters. In the future, we plan to further expand our data collection with customer specific GHG emissions data and step-by-step incorporate them into the calculation of financed GHG emissions. As a result, the proportion of financed GHG emissions determined based on company specific GHG reporting will increase.

The majority of financed GHG emissions of the bank portfolio, are concentrated in Scope 3. Most of these emissions are found in industrial sectors such as manufacturing, energy supply, and trade, maintenance, and repair of motor vehicles. The main drivers, in addition to higher Scope 3 emission factors, are high risk position values in these sectors, which ultimately significantly influence the level of financed GHG emissions from non-financial companies in the banking book. In Scope 1 and 2, particularly GHG-intensive industrial sectors have high emissions, such as mining and quarrying, and energy supply. The energy-intensive generation and production processes in these industrial sectors typically result in high GHG emissions, which is reflected in the level of financed Scope 1 and 2 GHG emissions accordingly. The risk positions in the sectors mentioned have predominantly shorter maturities (< 5 years) with a share of 73%, while only 4% have maturities exceeding 20 years. The proportion of risk positions with a significant deterioration in credit quality (Stage 2) is approximately 17%, and the proportion of non-performing positions is approximately 3%.

The reported gross carrying amount of companies that are excluded from the Paris Agreement because of their economic activity or main activity in accordance with the requirements in Article 12 (1) (d) to (g) and 12 (2) of Regulation (EU) 2020/1818 (EU Climate Transition Benchmarks Regulation) have currently been determined (owing to lack of data) on the basis of the NACE code of the counterparty. As soon as a company meets the exclusion criteria of Article 12 (1) (d) to (g) of the EU Climate Transition Benchmarks Regulation on the basis of its NACE code, the total risk positions vis-à-vis these companies are shown in column b as excluded from the EU benchmarks under the Paris Agreement. The gross carrying amount of €13.3bn shown in the template represent a total of 13% of the overall portfolio of non-financial corporations, with €9.3bn (9%) attributed to NACE sector D-Energy supply.

The positions classified as sustainable (CCM classification) account for a total of €3.2bn, representing 3% of the total exposure. The largest share of €2.9bn is allocated to the NACE sector D-Energy supply.

Content of Template 2

In template 2, aggregate information for loans secured by real estate must be disclosed. The basis for this is the energy consumption of the properties, broken down by energy consumption categories, based on the specific consumption of the underlying property. The loans and receivables are divided according to the type of property by which they secured. This includes a distinction between commercial and residential real estate and real estate collateral transferred to the Bank's ownership within and outside the EU. The positions are to be published by energy efficiency buckets based on the specific energy consumption of the collateral in kWh/m² as indicated in the Energy performance certificate (EPC) of the collateral. If no EPC label is available, e.g. for properties outside the EU, or for owner-occupied properties, the specific energy consumption (energy performance score) and the EPC label of the collateral are estimated.

Template 2 covers the information pursuant to Article 449a of the CRR as of 30 June 2024.

EU Template 2: Indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral (Banking book)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Counterparty sector	**Total gross carrying amount**															
	€m		**Level of energy efficiency (EP score in kWh/m² of collateral)**						**Level of energy efficiency (EPC label of collateral)**							**Without EPC label of collateral**	
			0; <= 100	**> 100; <= 200**	**> 200; <= 300**	**> 300; <= 400**	**> 400; <= 500**	**> 500**	**A**	**B**	**C**	**D**	**E**	**F**	**G**		**of which estimated (EPS in kWh/m²)**
1	**Total EU area**	**129,957**	**34,059**	**52,208**	**4,977**	**218**	**52**	**71**	**647**	**1,268**	**2,058**	**1,917**	**1,115**	**580**	**295**	**122,076**	**69%**
2	Of which Loans collateralised by commercial immovable property	18,009	392	737	169	4	18	31	103	19	78	133	9	20	76	17,571	5%
3	Of which Loans collateralised by residential immovable property	111,948	33,667	51,472	4,809	214	33	40	545	1,249	1,980	1,784	1,106	560	218	104,505	79%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	83,704	30,246	48,455	4,683	200	51	69								83,704	100%
6	**Total non-EU area**	**939**	**237**	**399**	**31**	**1**	**-**	**-**	**1**	**4**	**2**	**9**	**8**	**7**	**0**	**908**	**70%**
7	Of which Loans collateralised by commercial immovable property	112	0	10	0	-	-	-	-	-	0	-	-	-	-	112	10%
8	Of which Loans collateralised by residential immovable property	828	237	389	31	1	-	-	1	4	2	9	8	7	0	797	79%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	637	228	377	31	1	-	-								637	100%

As of 30 June 2024, we have implemented the specifications outlined by the EBA Q&A 2023 6879 and include now the mortgage-backed loans for all customer groups in this template, i.e. in addition to non-financial corporations, private households are also shown with the residential mortgage portfolio. This change has led to a notable increase in the portfolio size compared to previous reporting date. Additionally, by incorporating energy certificates obtained from our customers into our data sources, we have been able to decrease reliance on estimates provided external data providers.

Currently, Commerzbank is not purchasing collateral in the event of loan defaults, and as a result, there is no reporting for real estate collateral obtain to its own portfolio and the rows 4 and 9 are blank.

For the allocation of exposures as EU/non-EU, we apply the requirements of the EU taxonomy analogously to the European Economic Area (EEA), which accounts almost all of the gross carrying amount presented.

Content of Template 3

In this template the disclosure of sector-specific Scope 1, 2, and 3 greenhouse gas emissions is required, which are based on the defined alignment metrics of the International Energy Agency (IEA) for the "Net Zero by 2050" scenario. This scenario sets a target for a CO2 intensity metric for the year 2030. The calculation of the distance to this target is intended to show how Commerzbank progresses over time in terms of steering the relevant portfolios towards the Net Zero target.

For each sector portfolio and alignment metric the respective gross carrying amount of risk positions for loans and advances, debt securities, and equity instruments with their relative CO2 values are to be disclosed.

Template 3 covers the information pursuant to Article 449a of the CRR as of 30 June 2024.

EU Template 3[1]: Indicators of potential climate change transition risk: Alignment metrics (Banking book)

	a	b	c	d	e	f	g
	Sector	**NACE Sectors (a minima)**	**Portfolio gross carrying amount**	**Alignment metric**	**Year of reference**	**Distance to IEA NZE2050 [2]**	**Target (year of reference + 3 years) [3]**
			€m				in CO2 according to column d
1	Power	D35.11 - Production of electricity	8,535	Physical emission intensity [65 gCO2/kWh]	2023	150%	50
2	Automotive	C29.1- Manufacture of motor vehicles	343	Physical emission intensity [148 gCO2/pkm]	2023	25%	136
3	Aviation	H51.1 -Passenger air transport	1,168	Physical emission intensity [785 gCO2/tkm]	2023	27%	672
4	Aviation	H51.2 - Freight air transport and space transport	1,168	Physical emission intensity [785 gCO2/tkm]	2023	27%	672
5	Cement, clinker and lime production	C23.51 - Manufacture of cement	67	Physical emission intensity [0.8 tCO2/t cement]	2023	47%	0.6
6	Iron and steel, coke, and metal ore production	C24.10 - Manufacture of basic iron and steel and of ferro-alloys	164	Physical emission intensity [1.2 tCO2/t steel]	2023	35%	1.1

1 Values as of 31.12.2023, the table is only updated annually.
2 Point in Time (PiT) distance to 2030 NZE2050 scenario in % (for each metric)
3 Linear interpolation based on the SBTi baseline year 2021 and the SBTi targets for 2030

Template 3 shows the alignment of Commerzbank for specific sectors.

We have set a strategic goal to reduce the CO2 emissions of our entire credit and investment portfolio (referred to as "financed emissions") to net zero by 2050. To achieve this goal we have identified CO2-intensive industries in our portfolio and set specific sector-specific reduction targets for them based on the SBTi methodology. The sectors are currently classified as emissions-intensive include energy generation, aviation, automotive manufacturing, commercial real estate financing, as well as cement and iron and steel production. We steer these sectors using "physical intensities" (alignment metrics), which represent the relationship between production output and CO2 emissions. To determine physical intensities we use the international PCAF standard for financed emissions calculation in the financial sector. The calculation of relevant parameters is done using customer-specific emissions and productivity data from an external data provider, external EVIC data, and internal databases for customer-specific balance sheet data. For example, the physical intensity of tCO2e/t steel in the iron and steel sector indicates how CO2-intensive the production of one ton of steel is. The reporting form currently includes portfolios for energy generation, aviation, automotive manufacturing, as well as cement and iron and steel production, with the following notes:

- The identification of CO2-intensive industries in the SBTi-relevant portfolio is determined based on the requirements of the SBTi methodology and may therefore differ from the reported gross carrying amounts in template 1.
- We plan to include the commercial real estate financing portfolio in the disclosure report as of December 31, 2024
- Commerzbank does not differentiate between sectors H51.1 and H51.2 in its aviation target setting. Therefore, in the reporting form, the same metrics can be found in both rows, referring to the overall sector H51.
- sThe SBTi targets of Commerzbank are corporate targets that take into account the SBTi minimum coverage criteria. In the SDA sectors, only sectors of Commerzbank AG are included (which means, for example, that mBank volumes are not included on a "look-through" basis).
- A further qualitative assessment of the current progress in the SBTi-relevant portfolio can be found in Chapter 1.1 Climate Risks.

Content of Template 4

Template 4 shows the aggregated risk positions vis-à-vis the 20 companies with the highest emissions worldwide pursuant to Article 449a of the CRR as of 30 June 2024.

As of this reporting date, positions that are classified as environmentally sustainable according to the Climate Change Mitigation (CCM) classification are separately disclosed.

To identify companies with the highest carbon emissions, we refer to the current available list of the top 20 polluters from the "Carbon Majors Database" of the Carbon Disclosure Project (CDP) (Carbon Majors 2018 Data Set released December 2020).

EU Template 4: Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms (Banking book)

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
	€m	in %	€m		
1	810	0.18	-	2.07	9

* For counterparties among the 20 most CO2-intensive companies in the world

As at the reporting date, the portfolio contained risk positions of €810m vis-à-vis nine of the 20 most CO2-intensive companies in the world. The gross carrying amount was calculated on the basis of the entire Group including all subsidiaries.

The Board of Managing Directors of Commerzbank AG has laid down clear rules for handling business relationships and transactions in the area of fossil fuels. These rules are set out in a binding policy on transactions and client relationships with a connection to fossil fuels. With regard to coal, this policy covers the essential elements of the process chain from extraction through infrastructure to conversion into electricity in power plants. The data basis for the policy, which has applied since 2022, is the Global Coal Exit List, which is compiled and regularly updated by the non-governmental organisation Urgewalt. In the oil and gas sector, binding rules are laid down for the upstream, midstream and downstream sectors. As al-ready outlined in section 2.3, we expect our clients that are active in coal mining, coal infrastructure or coal-fired power generation:

- to generate less than 20% of their revenue or electricity generation from coal; and
- not to pursue any expansion plans in this field.

If counterparties do not meet these requirements at this stage, by the end of 2025 they must submit a plan to phase out coal by 2030. In addition, no expansion in the coal sector will be permitted from the end of 2025. If the requirements are not met, Commerzbank will terminate the business relationship.

We also expect a sustainable transformation from our clients in the oil and gas sector. For this reason, Reputational Risk Management subjects client relationships to an annual critical case-by-case assessment of environmental and social aspects.

Content of Template 5

Template 5 discloses information on risk positions that are subject to or vulnerable to physical climate change risks. In rows 1-9, information on positions vis-à-vis non-financial enterprises (NFC) is broken down by specific, climate-intensive sectors. The mortgage-backed loans and owned properties in rows 10 -12 are to be disclosed for all client groups in accordance with EBA Q&A 2023_6879.

The classification is based on the vulnerability of risk positions to both acute and chronic physical climate change risks. The calculation and allocation logic are described below.

Calculation of physical risks

Physical risks for non-financial corporations are calculated on the basis of data from an external data provider. The latter determines the expected changes in the profits (EBITDA) of companies for the year 2050, under the assumption of the predefined climate scenario IPCC RCP 4.5 produced by the IPCC, which result from damage caused by physical hazards. The median of the modelled annual frequency distribution is used for the frequency of the hazards.

For each counterparty classified as a non-financial corporation, the EBITDA change for each of the following hazards is calculated via the external data provider:

- Regarding chronic physical risk:
  - drought
  - sea level rise
- Regarding acute physical risk:
  - convective storm
  - tropical cyclone
  - wildfire
  - flooding
  - heatwave

If, for a particular counterparty', the change in EBITDA for a hazard is less than or equal to a threshold, that counterparty is classified as vulnerable to chronic or acute physical risk according to the hazard classification. The following designations are possible for each counterparty:

- The counterparty has no vulnerability to physical climate risks.
- The counterparty is vulnerable only to chronic physical climate risks.
- The counterparty is vulnerable only to acute physical climate risks.
- The counterparty is vulnerable to both chronic and acute physical climate risks.

The threshold is set as the 10% quantile of the average annual EBITDA change in 2050 assuming the IPCC RCP 4.5 climate scenario – derived from the external data provider for all possible combinations of sector (NACE level 3), country (all countries worldwide) and hazard. The number of simulated hazard events is set at the median of the internal frequency distribution from the external data provider.

Calculation of physical risks in real estate collateral

For the collateral, only the flood risk (acute physical risk) is assessed, as it is the most material physical risk for Commerzbank's portfolio, which is heavily concentrated in Germany. A collateral is designated as vulnerable to acute physical risk if the collateral is associated with a region (NUTS3) with high flood risk. The NUTS3 code is determined on the basis of the postcode information of the collateral and the mapping tables provided by the European Commission.

The flood risk severity of a NUTS3 code is determined based on the flood risk map published by the ECB in the context of the ECB 2022 climate risk stress test. The flood risk map includes all EU countries and all EU candidate countries as well as the countries of the European Free Trade Association (EFTA) (as at the end of 2021). Only collateral located in these countries will have one of the following:

- The collateral has no vulnerability to physical climate risks.
- The collateral is vulnerable only to acute physical climate risks.

Template 5 covers the information pursuant to Article 449a of the CRR as of 30 June 2024.

EU Template 5: Indicators of potential climate change physical risk: Exposures subject to physical risk. (Banking book) - Germany

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Geographical area*	**Gross carrying amount**													
	Germany												**of which exposures sensitive to impact from climate change physical events**		
	€m		**Breakdown by maturity bucket**					**Of which A**	**Of which B**	**Of which C**	**Of which stage 2 expo-sures**	**Of which non-perfor-ming expo-sures**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
			<= 5 years	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Ø matu-rity**							**Of which stage 2 expo-sures**	**Of which non-perfor-ming expo-sures**
1	A - Agriculture, forestry	596	491	58	36	1	2.4	2	-	584	58	8	–3	0	–2
2	B - Mining and quarrying	71	27	15	-	-	3.9	-	2	40	2	0	0	0	0
3	C - Manufacturing	18,964	5,516	714	137	-	2.4	2,676	224	3,468	797	165	–107	–28	–75
4	D - Electricity, gas, steam and air conditioning supply	5,279	138	100	31	-	4.6	-	-	270	17	-	0	0	-
5	E - Water supply; sewerage, waste management and remediation activities	1,937	0	-	-	-	0.0	-	0	-	-	-	0	-	-
6	F - Construction	1,065	763	190	61	36	4.2	-	708	342	137	23	–19	–7	–11
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	7,819	890	87	15	0	1.5	-	993	-	222	63	–43	–7	–36
8	H - Transportation and storage	2,711	208	37	3	1	3.1	3	246	-	39	1	–2	–1	–1
9	L - Real estate activities	9,547	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans collateralised by residential immovable property	102,076	88	198	453	647	19.2	-	1,387	-	84	5	–2	–1	–1
11	Loans collateralised by commercial immovable property	13,230	25	8	25	4	9.8	-	63	-	18	0	–1	–1	0
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	8,653	367	197	75	16	5.4	0	628	28	151	11	–10	–4	–5

* Variable: geographical area affected by physical risks from climate change – acute and chronic events.
A of which risk positions vulnerable to the effects of chronic events resulting from climate change.
B of which risk positions vulnerable to the effects of acute events resulting from climate change.
C of which risk positions vulnerable to the effects of chronic and acute events resulting from climate change.

EU Template 5: Indicators of potential climate change physical risk: Exposures subject to physical risk. (Banking book) - Western Europe

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Geographical area*	**Gross carrying amount**													
	Western Europe		**of which exposures sensitive to impact from climate change physical events**												
	€m		**Breakdown by maturity bucket**					**Of which A**	**Of which B**	**Of which C**	**Of which stage 2 expo- sures**	**Of which non-perfor- ming expo- sures**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
			<= 5 years	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Ø matu- rity**							**Of which stage 2 expo- sures**	**Of which non- perfor- ming expo- sures**
1	A - Agriculture, forestry	7	6	-	-	-	1.7	-	0	6	-	-	0	-	-
2	B - Mining and quarrying	814	180	-	-	-	0.7	53	37	89	-	-	0	-	-
3	C - Manufacturing	6,276	1,695	51	51	8	2.6	85	802	918	237	10	–8	–7	0
4	D - Electricity, gas, steam and air conditioning supply	1,851	158	77	205	-	9.1	0	440	-	61	-	–4	–4	-
5	E - Water supply; sewerage, waste management and remediation activities	941	49	0	-	-	2.7	-	49	-	0	-	0	0	-
6	F - Construction	273	164	19	33	-	3.8	-	209	8	0	2	–2	0	–1
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,672	386	61	-	-	2.1	-	447	0	0	-	0	0	-
8	H - Transportation and storage	865	338	144	-	-	3.7	6	476	-	-	-	0	-	-
9	L - Real estate activities	1,865	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans collateralised by residential immovable property	1,502	11	2	6	7	12.2	-	26	-	2	-	0	0	-
11	Loans collateralised by commercial immovable property	1,101	-	-	-	0	23.0	-	0	-	-	-	0	-	-
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	4,782	784	2	10	718	11.8	-	1,513	-	369	16	–166	–5	–161

* Variable: geographical area affected by physical risks from climate change – acute and chronic events.
A of which risk positions vulnerable to the effects of chronic events resulting from climate change.
B of which risk positions vulnerable to the effects of acute events resulting from climate change.
C of which risk positions vulnerable to the effects of chronic and acute events resulting from climate change.

EU Template 5: Indicators of potential climate change physical risk: Exposures subject to physical risk. (Banking book) - Central and Eastern Europe

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Geographical area* Central and Eastern Europe €m	Gross carrying amount	of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					Of which A	Of which B	Of which C	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Ø maturity							Of which stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry	82	6	2	-	-	3.5	0	7	0	1	1	0	0	0
2	B - Mining and quarrying	184	1	0	-	-	3.0	-	2	-	0	1	–1	0	–1
3	C - Manufacturing	3,722	472	36	2	0	2.8	125	350	34	109	7	–5	–2	–3
4	D - Electricity, gas, steam and air conditioning supply	907	24	7	2	-	6.2	15	4	13	0	0	0	0	0
5	E - Water supply; sewerage, waste management and remediation activities	147	13	0	0	-	1.9	6	6	1	2	0	0	0	0
6	F - Construction	1,481	74	2	10	-	3.4	1	85	-	9	4	–3	–1	–2
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,125	218	5	1	-	1.7	5	218	1	23	6	–6	–1	–4
8	H - Transportation and storage	800	58	2	0	-	3.1	5	56	-	4	2	–2	0	–1
9	L - Real estate activities	1,577	56	4	1	-	3.7	0	61	-	5	0	–1	0	0
10	Loans collateralised by residential immovable property	8,848	43	43	108	76	4.4	-	270	-	29	6	–2	0	–2
11	Loans collateralised by commercial immovable property	3,779	147	18	7	0	1.3	-	172	-	14	7	–5	0	–4
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	3,437	111	29	1	-	3.7	1	141	-	9	18	–17	0	–16

* Variable: geographical area affected by physical risks from climate change – acute and chronic events.
A of which risk positions vulnerable to the effects of chronic events resulting from climate change.
B of which risk positions vulnerable to the effects of acute events resulting from climate change.
C of which risk positions vulnerable to the effects of chronic and acute events resulting from climate change.

EU Template 5: Indicators of potential climate change physical risk: Exposures subject to physical risk. (Banking book) - North America

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Geographical area*	**Gross carrying amount**													
	North America							**of which exposures sensitive to impact from climate change physical events**							
	€m		**Breakdown by maturity bucket**					**Of which A**	**Of which B**	**Of which C**	**Of which stage 2 exposures**	**Of which non-performing exposures**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
			<= 5 years	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Ø maturity**							**Of which stage 2 exposures**	**Of which non-performing exposures**
1	A - Agriculture, forestry	43	-	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	111	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	2,765	133	40	-	-	2.7	-	173	-	5	4	–4	–1	–3
4	D - Electricity, gas, steam and air conditioning supply	2,928	355	404	-	-	4.4	733	25	-	-	-	0	-	-
5	E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	F - Construction	5	-	-	-	-	-	-	-	-	-	-	-	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	291	23	5	-	-	1.4	-	28	-	-	-	0	-	-
8	H - Transportation and storage	405	2	-	76	-	11.5	-	77	-	2	-	0	0	-
9	L - Real estate activities	483	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans collateralised by residential immovable property	123	-	1	-	0	10.3	-	1	-	-	0	0	-	0
11	Loans collateralised by commercial immovable property	3	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	1,498	469	48	-	-	0.6	-	517	-	0	-	0	0	-

* Variable: geographical area affected by physical risks from climate change – acute and chronic events.
A of which risk positions vulnerable to the effects of chronic events resulting from climate change.
B of which risk positions vulnerable to the effects of acute events resulting from climate change.
C of which risk positions vulnerable to the effects of chronic and acute events resulting from climate change.

EU Template 5: Indicators of potential climate change physical risk: Exposures subject to physical risk. (Banking book) - Asia

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Geographical area*	Gross carrying amount													
	Asia		of which exposures sensitive to impact from climate change physical events												
	€m		Breakdown by maturity bucket					Of which A	Of which B	Of which C	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Ø maturity							Of which stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry	1	-	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	1,489	189	58	227	-	6.9	43	309	122	3	-	0	0	-
4	D - Electricity, gas, steam and air conditioning supply	142	-	-	4	-	11.8	-	4	-	-	-	0	-	-
5	E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	F - Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	808	198	-	-	-	0.5	-	92	106	15	-	0	0	-
8	H - Transportation and storage	1,287	312	318	-	-	5.5	-	0	629	21	21	–1	0	–1
9	L - Real estate activities	4	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans collateralised by residential immovable property	171	0	-	0	0	14.4	-	0	-	-	-	0	-	-
11	Loans collateralised by commercial immovable property	4	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	349	46	-	-	-	1.2	-	5	42	-	-	0	-	-

* Variable: geographical area affected by physical risks from climate change – acute and chronic events.
A of which risk positions vulnerable to the effects of chronic events resulting from climate change.
B of which risk positions vulnerable to the effects of acute events resulting from climate change.
C of which risk positions vulnerable to the effects of chronic and acute events resulting from climate change.

EU Template 5: Indicators of potential climate change physical risk: Exposures subject to physical risk. (Banking book) - Other

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Geographical area*	Gross carrying amount													
	Other		of which exposures sensitive to impact from climate change physical events												
	€m		Breakdown by maturity bucket					Of which A	Of which B	Of which C	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Ø maturity							Of which stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	694	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	473	128	109	-	-	4.3	-	218	18	93	0	0	0	0
4	D - Electricity, gas, steam and air conditioning supply	166	-	-	-	-	-	-	-	-	-	-	-	-	-
5	E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	F - Construction	3	2	-	-	-	2.8	-	2	-	0	-	0	0	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	51	3	-	-	-	2.0	-	3	-	0	2	0	-	-
8	H - Transportation and storage	91	16	72	-	-	6.5	-	47	42	9	8	−8	0	−8
9	L - Real estate activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans collateralised by residential immovable property	55	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	3	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	46	0	-	-	-	0.0	-	0	-	-	-	0	-	-

* Variable: geographical area affected by physical risks from climate change – acute and chronic events.
A of which risk positions vulnerable to the effects of chronic events resulting from climate change.
B of which risk positions vulnerable to the effects of acute events resulting from climate change.
C of which risk positions vulnerable to the effects of chronic and acute events resulting from climate change.

Because of the geographical focus of the Commerzbank portfolio in Germany and Western Europe (accounting for approximately 80% of the portfolio), which is also clearly visible from template 5, the overall impact of physical climate risks is limited, as both some chronic types of risk (e.g. sea level rise) and acute types of hazard (e.g. tropical cyclones) are likely to occur to a lesser extent in these regions than in other parts of the world.

Driven by the relatively high share of approximately 14% of the manufacturing industry in our overall portfolio, we expect the largest physical risks from both chronic and acute hazards in this sector, with acute physical risks playing a more significant role. In the energy supply sector as well, significant portions of the portfolio may be affected, particularly by acute physical risks.

The relatively greatest physical risk is to be expected in the agricultural sector owing to droughts as a chronic physical risk. However, given the very small share of this sector in our overall portfolio (less than 1%), the influence on Commerzbank of this sector, which is particularly affected by physical risks, is of secondary importance overall.

For the portfolio secured by commercial or residential real estate, influences from both chronic and acute physical risks can also be expected which, compared to the previous reporting date, the implementation of EBA Q&A and the expansion to all customer groups have increased by approximately 392%.

Among the other relevant sectors (row 13), the NACE sector Q - Human Health and Social Work Activities has by far the largest share of physical risks, amounting to approximately €1.4 bn. This is primarily concentrated in Germany and Western Europe.

Overall, the validity of climate risk assessments that look into the distant future is still fundamentally constrained by limited experience, limited availability of data and, in particular, a dependence on modelling that is subject to high levels of uncertainty. In the coming years, we will take advantage of opportunities that arise to improve the underlying data, to test further developed models and to adapt our methodology if necessary.

Content of template 6

Template 6 provides an overview of the key performance indicators (KPIs) calculated on the basis of template 7 and 8. This includes the Green Asset Ratio (GAR) in accordance with Commission Delegated Regulation (EU) 2021/2178. The GAR indicates the portion of assets that contribute to climate change mitigation and adaptation goals. It measures the volume of financial assets in the bank's portfolio (loans and advances, debt securities, and equity instruments) that significantly contribute to mitigating climate-related risks, relative to the total assets.

In this template, the GAR is disclosed once based on the turnover alignment of the counterparty for the general purpose lending.

Template 6 covers the information pursuant to Article 449a of the CRR as of 30 June 2024, for selected ratios from template8.

EU Template 6: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	2.67%	0.00%	2.68%	32.30%
GAR flow	0.39%	0.00%	0.39%	4.70%

* % of assets captured for the KPI in relation to the total assets of the banks

The GAR can be divided into different categories, including climate change mitigation and climate change adaptation objectives, as well as GAR stock and GAR flow. indicates the inflow of new Taxonomy-aligned assets relative to the total covered assets. Taxonomy-eligible activities must be assigned to one – specifically– the most relevant – environmental objective. Double counting is not permitted. The loans were consequently assigned to the first environmental objective (climate change mitigation).

Content of template 7

Template 7 provides a detailed breakdown of the specific assets that contribute to the GAR calculation and the gross carrying amount of the bank's portfolio, distinguishing between customer groups (financial institutions, non-financial institutions, households, local government entities) and products (loans, debt securities, equity instruments). Additionally, information is disclosed regarding the taxonomy eligibility and taxonomy alignment of positions with respect to the environmental objectives of climate change mitigation and climate change adaptation, in accordance with Article 9(a) and (b) of Taxonomy Regulation (EU) 2020/852. Based on the available information, we have calculated our GAR in accordance with the requirements of Commission Delegated Regulation (EU) 2021/2178.

We have established appropriate procedures to assess Taxonomy eligibility and Taxonomy alignment. We rolled out software solutions in 2023 that allow us to implement (partially) automated processes when screening for Taxonomy alignment, making the process more streamlined and efficient. Additionally, we address any discrepancies with the total assets by disclosing the gross carrying amount for positions that are not relevant for the GAR, such as small and medium-sized enterprises (SMEs), entities outside the EU, or positions from the trading book.

Template 7 covers the information pursuant to Article 449a of the CRR as of 30 June 2024.

EU Template 7 – Part 1: Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	30.06.2024	**Total gross carrying amount**	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**					**Total (CCM + CCA)**				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**				
				Of which environmentally sustainable (Taxonomy-aligned)					**Of which environmentally sustainable (Taxonomy-aligned)**					**Of which environmentally sustainable (Taxonomy-aligned)**			
	€m				**Of which specia-lised lending**	**Of which transi-tional**	**Of which enab-ling**			**Of which specia-lised lending**	**Of which adap-tation**	**Of which enab-ling**			**Of which specia-lised lending**	**Of which transi-tional/ adap-tation**	**Of which enab-ling**
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	187,675	134,905	10,836	10,192	28	220	91	12	-	-	3	134,996	10,848	10192	28	222
2	Financial corporations	27,319	6,341	387	57	0	0	0	0	-	-	-	6,341	387	57	0	0
3	Credit institutions	26,054	5,546	319	-	0	0	-	-	-	-	-	5,546	319	-	0	0
4	Loans and advances	17,625	3,947	219	-	0	0	-	-	-	-	-	3,947	219	-	0	0
5	Debt securities[1]	8,429	1,599	100	-	-	-	-	-	-	-	-	1,599	100	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
7	Other financial corporations	1,266	794	68	57	0	0	0	0	-	-	-	794	68	57	0	0
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities[1]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
12	of which management companies	73	65	0	-	-	-	-	-	-	-	-	65	0	-	-	-
13	Loans and advances	65	65	0	-	-	-	-	-	-	-	-	65	0	-	-	-
14	Debt securities[1]	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	143	27	2	-	-	-	-	-	-	-	-	27	2	-	-	-
17	Loans and advances	143	27	2	-	-	-	-	-	-	-	-	27	2	-	-	-
18	Debt securities[1]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-

EU Template 7 – Part 2: Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	30.06.2024	**Total gross carrying amount**	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**					**Total (CCM + CCA)**				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**				
				Of which environmentally sustainable (Taxonomy-aligned)					**Of which environmentally sustainable (Taxonomy-aligned)**					**Of which environmentally sustainable (Taxonomy-aligned)**			
	€m				**Of which specialised lending**	**Of which transitional**	**Of which enabling**			**Of which specialised lending**	**Of which adaptation**	**Of which enabling**			**Of which specialised lending**	**Of which transitional/ adaptation**	**Of which enabling**
	GAR - Covered assets in both numerator and denominator																
20	Non-financial corporations[2]	20,975	14,139	3,238	2,924	28	219	91	12	-	-	3	14,230	3,250	2,924	28	222
21	Loans and advances	20,061	13,866	3,184	2,924	19	194	77	9	-	-	0	13,943	3,193	2,924	19	194
22	Debt securities[1]	915	273	54	-	9	26	14	3	-	-	2	287	57	-	9	28
23	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
24	Households	129,336	114,412	7,211	7,211	-	-						114,412	7,211	7,211	-	-
25	Of which Loans collateralised by residential immovable property	107,952	104,829	6,383	6,383	-	-						104,829	6,383	6,383	-	-
26	Of which building renovation loans	3,684	3,684	-	-	-	-						3,684	-	-	-	-
27	of which motor vehicle loans	370	321	0	0	-	-						321	0	0	-	-
28	Local governments financing	10,044	14	-	-	-	-	-	-	-	-	-	14	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	10,044	14	-	-	-	-	-	-	-	-	-	14	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	187,675	134,905	10,836	10,192	28	220	91	12	-	-	3	134,996	10,848	10,192	28	222
	Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	EU Non-financial corporations[3]	119,179															
34	Loans and advances	82,675															
35	Debt securities	35,908															
36	Equity instruments	596															

EU Template 7 – Part 3: Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	30.06.2024	**Total gross carrying amount**	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**					**Total (CCM + CCA)**				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**					**Of which towards taxonomy relevant sectors (Taxonomy-eligible)**				
				Of which environmentally sustainable (Taxonomy-aligned)					**Of which environmentally sustainable (Taxonomy-aligned)**					**Of which environmentally sustainable (Taxonomy-aligned)**			
	€m				**Of which specialised lending**	**Of which transitional**	**Of which enabling**			**Of which specialised lending**	**Of which adaptation**	**Of which enabling**			**Of which specialised lending**	**Of which transitional/adaptation**	**Of which enabling**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)																
37	Non-EU Non-financial corporations[3]	83,717															
38	Loans and advances	64,614															
39	Debt securities	18,978															
40	Equity instruments	125															
41	Derivatives	1,460															
42	On demand interbank loans	106															
43	Cash and cash-related assets	978															
44	Other assets (e.g. Goodwill, commodities etc.)	10,499															
45	Total assets in the denominator (GAR)	403,614															
	Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	35,686															
47	Central banks exposure	114,101															
48	Trading book	27,721															
49	Total assets excluded from numerator and denominator	177,507															
50	**Total assets**	**581,121**															

1 including those where the use of proceeds is known
2 (subject to the disclosure requirements of the Directive on the disclosure of non-financial information)
3 (not subject to the disclosure requirements of the Directive on the disclosure of non-financial information)

The EU taxonomy only covers certain parts of our business. Some transactions are completely excluded, for example the trading portfolio and transactions with governments or central banks. The transactions that are relevant for the numerator are generally transactions with companies that are required to submit a non-financial report (NFR) in accordance with the Non-Financial Reporting Directive. In addition, the GAR denominator includes portfolios that cannot be reported as Taxonomy-aligned, for example loans to SMEs. The populations of numerator and denominator therefore differ significantly from one another.

We generally assess Taxonomy alignment for Taxonomy-eligible transactions that are essential to our business activities and, where necessary, introduce new processes to collect relevant information about our customers.

In order to determine whether a transaction can be classified as Taxonomy-aligned, we examine the comprehensive technical screening criteria, which differ depending on the economic activity. A check is also carried out to determine that none of the other objectives are significantly harmed and that the criteria for social minimum safeguards are met.

In cases where we did not have access to the required information and evidence (for checking the technical screening criteria) and this could not be ascertained with reasonable effort, we classified these items as Taxonomy-non-aligned.

Two procedures are used to screen our risk positions for Taxonomy eligibility or Taxonomy alignment. A distinction is made based on whether the use of the proceeds by the borrower/issuer is unknown (general-purpose loans and securities) or known (loans with a purpose).

General-purpose loans and securities are weighted using the turnover-based and CapEx-based KPIs of the borrower/issuer and are thus included in the calculation of the GAR in the two calculation variants.

Equities are included based on the revenue-based KPI of the issuer, and certain funds (according to Articles 8 and 9 of the Disclosure Regulation) are included based on the product-specific KPI. We do not carry out a ‘look through’ for other funds. For bonds where the issue proceeds were allocated to a specific sustainable purpose, the issuers have not yet provided product-specific KPIs whose calculation methodology meets the Taxonomy requirements. Until the newly enacted EU Green Bond Standard is applicable and product-specific taxonomy quotas are available, all bonds will be assessed using the issuer’s turnover-based and CapEx-based KPIs.

We assess general purpose loans and securities on the basis of external data relating to our counterparties’ KPIs. The information provided by the data providers refers to the companies’ disclosures for the 2022 reporting year. If no information was available, we assessed these positions as Taxonomy-non-eligible or Taxonomy-non-aligned.

Risk positions towards relevant subsidiaries of companies required to publish a non-financial report are generally assessed based on the subsidiary’s disclosed KPIs. If no KPIs are available at subsidiary level, we assess these risk positions as Taxonomy non-eligible or Taxonomy-non-aligned.

The assessment of loans with a specific purpose relies on the information provided by the borrower regarding the activities for which the proceeds are used. If the use of proceeds (financed economic activity) is described in the Taxonomy Regulation, we classify these loans as taxonomy eligible.

Similar to template 1 of the Taxonomy Regulation (EU), template 7 focuses on the environmental objectives of climate change mitigation and climate change adaptation, excluding environmental objectives three to six in the current report.

Our Taxonomy-aligned volume and thus the green asset ratio is characterised by retail mortgage financing and special financing for SPV’s in the field of renewable energies in the European Economic Area.

Content of template 8

In this template, the information from template 7 is presented as percentages. All values are expressed as ratios. Key figures for the stock and flow are disclosed. The presentation is abbreviated compared to the EU Taxonomy and only for the assets considered in the GAR numerator.

The relevant assets are compared to the "Total GAR assets" (line 32 in template 7) on a per line basis. However, the column "Share of Total Assets" is compared to the “Total Assets” in template 7 (line 50).

Template 8 covers the information pursuant to Article 449a of the CRR as of 30 June 2024.

EU Template 8: GAR (%) - KPIs on stock

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Disclosure reference date 30.6.2024	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**					**Total (CCM + CCA)**					
	KPIs on stock	**Proportion of eligible assets funding taxonomy relevant sectors**					**Proportion of eligible assets funding taxonomy relevant sectors**					**Proportion of eligible assets funding taxonomy relevant sectors**					**Proportion of total assets covered**
			Of which environmentally sustainable					**Of which environmentally sustainable**					**Of which environmentally sustainable**				
	% (compared to total covered assets in the denominator)			**Of which specialised lending**	**Of which transitional**	**Of which enabling**			**Of which specialised lending**	**Of which adaptation**	**Of which enabling**			**Of which specialised lending**	**Of which transitional/adaptation**	**Of which enabling**	
1	GAR	33.4%	2.7%	2.5%	0.0%	0.1%	0.0%	0.0%	-	-	0.0%	33.4%	2.7%	2.5%	0.0%	0.1%	32.3%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	33.4%	2.7%	2.5%	0.0%	0.1%	0.0%	0.0%	-	-	0.0%	33.4%	2.7%	2.5%	0.0%	0.1%	32.3%
3	Financial corporations	1.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	1.6%	0.1%	0.0%	0.0%	0.0%	4.7%
4	Credit institutions	1.4%	0.1%	-	0.0%	0.0%	-	-	-	-	-	1.4%	0.1%	-	0.0%	0.0%	4.5%
5	Other financial corporations	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	0.2%	0.0%	0.0%	0.0%	0.0%	0.2%
6	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	of which management companies	0.0%	0.0%	-	-	-	-	-	-	-	-	0.0%	0.0%	-	-	-	0.0%
8	of which insurance undertakings	0.0%	0.0%	-	-	-	-	-	-	-	-	0.0%	0.0%	-	-	-	0.0%
9	Non-financial corporations[1]	3.5%	0.8%	0.7%	0.0%	0.1%	0.0%	0.0%	-	-	0.0%	3.5%	0.8%	0.7%	0.0%	0.1%	3.6%
10	Households	28.3%	1.8%	1.8%	-	-						28.3%	1.8%	1.8%	-	-	22.3%
11	Of which Loans collateralised by residential immovable property	26.0%	1.6%	1.6%	-	-						26.0%	1.6%	1.6%	-	-	18.6%
12	Of which building renovation loans	0.9%	-	-	-	-						0.9%	-	-	-	-	0.6%
13	of which motor vehicle loans	0.1%	0.0%	0.0%	-	-						0.1%	0.0%	0.0%	-	-	0.1%
14	Local governments financing	0.0%	-	-	-	-						0.0%	-	-	-	-	1.7%
15	Housing financing	-	-	-	-	-						-	-	-	-	-	-
16	Other local governments financing	0.0%	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	1.7%
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-						-	-	-	-	-	-

EU Template 8: GAR (%) - KPIs on flows

		q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
	Disclosure reference date 30.6.2024	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**					**Total (CCM + CCA)**					
	KPIs on flows	**Proportion of eligible assets funding taxonomy relevant sectors**					**Proportion of eligible assets funding taxonomy relevant sectors**					**Proportion of eligible assets funding taxonomy relevant sectors**					**Proportion of total assets covered**
			Of which environmentally sustainable					**Of which environmentally sustainable**					**Of which environmentally sustainable**				
	% (compared to total covered assets in the denominator)			**Of which specia-lised lending**	**Of which transi-tional**	**Of which enab-ling**			**Of which specia-lised lending**	**Of which adap-tation**	**Of which enab-ling**			**Of which specia-lised lending**	**Of which transi-tional/ adap-tation**	**Of which enab-ling**	
1	GAR	3.4%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	-	-	0.0%	3.4%	0.4%	0.4%	0.0%	0.0%	4.7%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.4%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	-	-	0.0%	3.4%	0.4%	0.4%	0.0%	0.0%	4.7%
3	Financial corporations	0.1%	0.0%	-	-	0.0%	0.0%	0.0%	-	-	-	0.1%	0.0%	-	-	0.0%	0.6%
4	Credit institutions	0.1%	0.0%	-	-	0.0%	-	-	-	-	-	0.1%	0.0%	-	-	0.0%	0.6%
5	Other financial corporations	0.0%	0.0%	-	-	-	0.0%	0.0%	-	-	-	0.0%	0.0%	-	-	-	0.0%
6	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	of which management companies	0.0%	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
8	of which insurance undertakings	0.0%	0.0%	-	-	-	-	-	-	-	-	0.0%	0.0%	-	-	-	0.0%
9	Non-financial corporations[1]	0.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	0.0%	0.6%	0.1%	0.0%	0.0%	0.0%	0.9%
10	Households	2.7%	0.3%	0.3%	-	-						2.7%	0.3%	0.3%	-	-	2.5%
11	Of which Loans collateralised by residential immovable property	2.1%	0.2%	0.2%	-	-						2.1%	0.2%	0.2%	-	-	1.5%
12	Of which building renovation loans	0.1%	-	-	-	-						0.1%	-	-	-	-	0.1%
13	of which motor vehicle loans	0.0%	-	-	-	-						0.0%	-	-	-	-	0.0%
14	Local governments financing	-	-	-	-	-						-	-	-	-	-	0.7%
15	Housing financing	-	-	-	-	-						-	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7%
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-						-	-	-	-	-	-

1 (subject to the disclosure requirements of the Directive on the disclosure of non-financial information)

Template 8 contains the percentage information of the GAR for stock and flow. The inflow is clearly identified by the start date of a transaction, which is defined depending on the transaction type. For loans, the flow is the gross carrying amount of the new business active on the current reporting date and received in the reporting period. For securities, the flow corresponds to all securities received in the reporting period, regardless of whether the position still exists as at the current reporting date.

Content of template 10

Template 10 is designed to cover other climate change mitigating actions that are not covered in Regulation (EU) 2020/852. This includes exposures of the institutions that are not taxonomy-aligned as referred to in Regulation (EU) 2020/852 according to templates 7 and 8 but that still support counterparties in the transition and adaptation process for the objectives of climate change mitigation and climate change adaptation.

This template encompasses all risk exposures as of the reporting date that, due to their specific features, support climate change mitigation and adaptation goals but are not already accounted for in the GAR templates 6-8. The selection is based on the ESG framework of Commerzbank. Risk positions were selected from products classified as sustainable that contribute to mitigating transition risks from climate change. Sustainable loans from the corporate and private business customers were considered, as well as sustainable bonds in the Bank's own portfolio.

Template 10 covers the information pursuant to Article 449a CRR as of 30 June 2024.

EU Template 10: Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852

	a	b	c	d	e	f
	Type of financial instrument	**Type of counterparty**	**Gross carrying amount (€m)**	**Type of risk mitigated (Climate change transition risk)**	**Type of risk mitigated (Climate change physical risk)**	**Qualitative information on the nature of the mitigating actions**
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	1,146	Ja	-	Green Bonds, Sustainability Bonds, CBI Aligned Green bonds, CBI Certified Green Bonds, Sustainability Linked Bonds
2		Non-financial corporations	219	Ja	-	
3		Of which Loans collateralised by commercial immovable property	-	-	-	
4		Other counterparties	416	Ja	-	Green Bonds, Sustainability Bonds, CBI Aligned Green bond
5	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	134	Ja	-	Financing of renewable energies from the Center of Competence Green Infrastructure Finance ("CoC GIF")
6		Non-financial corporations	3,360	Ja	-	- Financing of renewable energies from the Center of Competence Green Infrastructure Finance ("CoC GIF") - KfW programmes for corporate clients (Renewable energies Standard and Premium, KfW- Energy efficiency program, Federal funding program for Energy- and efficient ressources, Energy-efficient construction and refurbishment) - Commercial CBU (Commerzbank Universal Credit) with a sustainability-oriented purpose
7		Of which Loans collateralised by commercial immovable property	24	Ja	-	
8		Households	7,715	Ja	-	- Green mortgage loans - KfW programmes for private clients - Energy-efficient construction and refurbish-ment, KfW-Energy efficiency program, Renewable energies Standard and Premium
9		Of which Loans collateral-ised by residential immovable property	106	Ja	-	
10		Of which building renovation loans	5	Ja	-	
11		Other counterparties	-	-	-	

The risk positions covered include the following products, which were included because of the characteristics described below and were not simultaneously classified as taxonomy-compliant:

Green retail mortgage loans

The green mortgage loans scheme introduced in September 2019 finances the construction, modernisation or acquisition of buildings – for personal or third-party use – for which the final energy consumption is less than 75 kilowatt hours (kWh) per square meter of usable floor space. As of 1 April 2022, we have adjusted the threshold in line with the evolution in market standards and regulatory requirements and reduced it to 50 kWh per square meter. These buildings are among the most energy-efficient buildings and account for only 15% of the building stock. Energy-efficient construction and increasing the energy efficiency of existing buildings contribute to reducing CO2 emissions and thus to climate protection.

Center of Competence Green Infrastructure Finance ("CoC GIF")

Project and corporate financing relating to renewable energy is bundled within the Center of Competence Green Infrastructure Finance ("CoC GIF"). In addition to the full range of corporate banking services, the Centre of Competence Energy offers bilateral and syndicated project financing. Financing is provided for solar and wind parks (onshore/offshore), which are operated in particular by independent power producers, project developers, institutional investors and energy utilities. Renewable energy contributes to decarbonisation and thus to climate protection.

KfW sustainability programmes for private and corporate clients

KfW programmes for companies or private customers that pursue the purposes of energy efficiency or climate protection (Initiative for SMEs) were included.

Green CBU (Commerzbank universal loan)

The Green CBU+ (Commerzbank universal loan), an individual loan for corporate customers, is used to finance sustainable commercial or private investments. These include, for example, those investments that reduce the consumption of resources such as petrol, electricity or water by at least 30% or that have a positive effect on CO2 emissions. Reduced emissions help protect the climate, and the reduced consumption of resources contributes to climate protection or adaptation to climate change.

Sustainable bonds

The current disclosure includes sustainable bonds that comply with a recognised standard, such as the EU Green Bond Standard (TEG), the International Capital Market Association (ICMA) Green Bond Principles, Sustainability Bond Guidelines or Sustainability-Linked Bond Principles. In accordance with the details provided in the relevant green bond frameworks of the issuers or in the second-party opinion (SPO), it was ensured that the use of proceeds or the reported KPIs meet the requirements of the relevant standards.

Green bonds / sustainability bonds

Green bonds or sustainability bonds are bonds for which the use of proceeds is used exclusively for the proportional or full (re)financing of suitable green projects and which are aligned with the four core components of the Green Bond Principles. These may be new and/or existing projects.

CBI-certified green bonds and the CBI-aligned green bonds

CBI-certified green bonds and CBI-aligned green bonds are certified sustainable bonds under the Climate Bonds Initiative (CBI).

An important component of the initiative is the Climate Bonds Standard & Certification Scheme. The certification scheme enables investors, governments and other stakeholders to identify and prioritize low-carbon and climate-resilient investments and to avoid greenwashing.

CBI-certified green bonds are bonds that demonstrably comply with the Climate Bonds Standard. The Climate Bonds Standard enables the certification of a bond before it is issued and includes the Green Bond Principles and the Green Loan Principles; it is aligned with the EU Green Bond Standard.

CBI-aligned green bonds are designated bonds that also comply with the CBI Green Bond Principles. These issuers issue green bonds based on their own green bond principles.

Sustainability linked bonds

Sustainable-linked bonds include only bonds with interest rate structures that relate to demonstrable sustainability performance targets (SPTs) or KPIs in connection with climate change mitigation and which comply with the ICMA's Green Bond Principles.

The largest share of the reported gross book values for bonds, at 64%, is accounted by financial corporations. The remaining volume is distributed among the client groups non-financial corporations with 12% and other counterparties with 23%.

In the case of loans, approximately two-thirds of the reported risk positions are attributable to private households and one-third to non-financial corporations.

List of abbreviations

ABC-Policy	Anti-Bribery and Corruption Policy
BICC	Bonn International Centre for Conflict Studies
BKMS	Business-Keeper-Monitoring-System
CBI	Climate Bonds Initiative
CBU	Commerzbank universal loan
CCM	Climate Change Mitigation
CCO	Chief Compliance Officer
CCUS	Carbon Capture, Utilisation and Storage
CDP	Carbon Disclosure Project
CERO	Chief Environmental Risk Officer
CO2	Carbon Dioxide
CRR	Capital Requirements Regulation
CRREM	Carbon Risk Real Estate Monitor
CSRD	Corporate Sustainability Reporting Directive
DGNB	Deutsche Gesellschaft für nachhaltiges Bauen / German Society for Sustainable Building
DPM	Data Point Model
EaD	Exposure at Default
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ECB	European Central Bank
EEA	European Economic Area
EECS	European-Energy-Certificate-System
EFTA	Europäischen Freihandelsassoziation
EnPI	Energy Performance Indicator
EP	Energy Performance
EPC	Energy Performance Certificate
EPS	Energy Performance Score
ESG	Environment, Social, Governance Risk
EVIC	Enterprise Value Including Cash
FSC	Forest Stewardship Council
GAR	Green Asset Ratio
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GRSB	Global Roundtable for Sustainable Beef
HIIK	Heidelberg Institute for International Conflict Research
HR	Human Resources
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
IEA	International Energy Agency
IIF	International Institute of Finance
ILO	International Labour Organization/
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicator
KYC	Know Your Customer-Prinzip
LAWS	Lethal Autonome Weapon Systems
LkSG	Lieferkettensorgfaltspflichtengesetz/ Supply Chain Due Diligence Act
LNG	Liquefied-Natural-Gas
MiFID	Markets in Financial Instruments Directive
MTR	Mountain-Top-Removal
NACE	Nomenclature générale des activités économiques dans les Communautés Européennes / Nomenclature of Economic Activities
NFC	non-financial corporations
NGFS	Network for Greening the Financial System
NGO	non-governmental organisations
NPP	New Product Process
OECD	Organisation for Economic Cooperation and Development
PCAF	Partnership for Carbon Accounting Financials
PCPM	Polish Centre for International Aid
PEFC	Programme for the Endorsement of Forest Certification Schemes
PRI	Principles for Responsible Investment
RE-AMS	Real Estate Asset Management & Sustainability
RSPO	Roundtable on Sustainable Palm Oil
RTRS	Round Table on Responsible Soy
SBTi	Science-based Target Initiative
SDA	Sectoral Decarbonization Approach
SME	Small and medium-sized enterprise
SPO	Second-Party-Opinion
SPT	Sustainability Performance Targets
SSM	Single Supervisory Mechanism
tCO2e	tons (t) of carbon dioxide (CO2) equivalent
TCFD	Task Force on Climate-Related Financial Disclosures
TEG	Green Bond Standard
UNEPFI	Principles for Responsible Banking der Finanz-Initiative des Umweltprogramms der Vereinten Nationen (UNEP FI)
WCD	World Commission on Dams