

Press Release

For business editors
17 September 2021

Commerzbank pursues ambitious sustainability targets

- **Credit and investment portfolio to become “net zero” by 2050 at latest, own banking operations by 2040 at latest**
- **Sustainable business volume to be tripled to 300 billion euros by 2025**
- **Coal portfolio already cut by 50% to around 1 billion euros within two years, extended directive on fossil fuels to come into force on 1 January 2022**
- **Measuring of carbon footprint of loan and investment portfolio in preparation, concrete reduction targets to be defined by August 2022**
- **Manfred Knof: “We want to contribute to channelling more capital into sustainable economic activities in order to mitigate the consequences of climate change.”**

Commerzbank pursues ambitious cornerstones for its sustainability strategy. The core of the sustainability agenda is the commitment to “net zero”. “We are expressly committed to the Paris Climate Agreement. That is why we have committed ourselves to reducing the CO₂ emissions of our entire credit and investment portfolio to net zero by 2050 at the latest,” emphasised Manfred Knof, Chairman of the Board of Managing Directors. “We want to contribute to channelling more capital into sustainable economic activities in order to mitigate the consequences of climate change. Our most important goal is therefore to support our clients in their transformation into sustainably operating companies.” To this end, the Bank will mobilise around 300 billion euros by 2025. This corresponds to a tripling of the sustainable business volume compared to the end of 2020. “As a bank, we are financiers of the green transformation,” said Knof. “Hence, sustainability becomes a fundamental pillar of our business model.”

Sustainable business volume to be tripled to 300 billion euros by 2025

Commerzbank has made transparent which products are included in the sustainable business volume in its “Sustainable Finance Framework”, which was published in April 2021. In the corporate client business, this includes, inter alia, the support of sustainability-related syndicated loans and promissory note loans as well as issues of sustainability-related bonds. In the private client business, asset management and green mortgages are to be contributing to the growth of the sustainable business volume.

Coal portfolio halved to around 1 billion euros within two years

Commerzbank has had a binding coal policy since 2016. Among other things, it stipulates that the Bank shall not finance any new coal-fired power plants or coal mines. In the past two years alone, the Bank’s coal exposure has been halved to around 1 billion euros. This corresponds to about

0.2 per cent of the total portfolio. The Bank is currently working on expanding the policy to include gas and oil. It is to come into force on 1 January 2022.

Measurement of carbon footprint of loan and investment portfolio in preparation

The Bank will define specific CO₂ reduction targets for the entire loan and investment portfolio by August 2022 in accordance with the requirements of the “Science-based Targets Initiative”. The initiative provides a scientifically sound methodology for measuring CO₂ intensity. Commerzbank already joined a year ago, so far the only German bank among more than 50 European companies in the financial sector to do so.

The Bank is currently working on making the carbon footprint of its loan portfolio measurable and deriving measures that are necessary to achieve the climate targets. In a first step, it is focussing on CO₂-intensive sectors such as energy production. Initial test calculations show that a reduction in CO₂ intensity by more than 50 per cent will be necessary in this portfolio by 2030 in order to achieve the preliminary goals of the Paris Climate Agreement. An even higher reduction will be required for “net zero”. For the energy sector, the Bank intends to define concrete CO₂ targets as early as by the end of the current year.

With regard to its own banking operations, Commerzbank aims to reduce CO₂ emissions to net zero by 2040 at the latest. Since 2007, it has reduced its own CO₂ emissions by 70 per cent, and its banking operations have been climate-neutral in Germany since 2015. By 2025, Commerzbank also aims at cutting the CO₂ emissions by a further 30 per cent which corresponds to around 36,000 tonnes of CO₂. Key measures to achieve this include the increasing restriction of flights for business appointments and the further energy-efficient refurbishment of real estate.

Regular dialogue forums ensure transparency of progress in sustainability

By launching the new online event “Sustainability Dialogue”, the Bank will regularly report on its sustainability activities in the future. Viewers can participate directly in the virtual exchange by posing questions. “We want to make our progress in sustainability transparent. To this end, we are seeking continuous dialogue with interested stakeholders, from which we expect valuable impetus,” said Bettina Storck, Head of Group Sustainability Management. The first “Sustainability Dialogue” – which addressed the Bank’s sustainability agenda – took place today, 17 September 2021, with Chief Executive Officer Manfred Knof, Member of the Board of Managing Directors responsible for the Business Segment Corporate Clients, Michael Kotzbauer, and Chief Risk Officer Marcus Chromik.

Information

- Link to the audio file of the Sustainability Dialogue: Commerzbank AG - Nachhaltigkeitsdialog (available from approx. 1 p.m., only in German)
- Link to the Sustainable Finance Framework of Commerzbank:
https://www.commerzbank.de/media/nachhaltigkeit/ii_governance/20210507_Sustainable_Finance_Framework_EN_final.pdf

Press contact

Dennis Bartel, +49 69 136-26528

Beate Schlosser, +49 69 136-22137

About Commerzbank

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 30,000 corporate client groups and around 11 million private and small-business customers in Germany. The Bank's two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services. Commerzbank transacts approximately 30 per cent of Germany's foreign trade and is present internationally in almost 40 countries in the corporate clients' business. The Bank focusses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with German connectivity and companies operating in selected future-oriented industries. Following the integration of Comdirect, private and small-business customers benefit from the services offered by one of Germany's most advanced direct banks combined with personal advisory support on site. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.5 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2020, Commerzbank generated gross revenues of some €8.2 billion with almost 48,000 employees.

Disclaimer and Forward-Looking Statement

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts. In this release, these statements concern inter alia the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of Commerzbank as well as expected future financial results, restructuring costs and other financial developments and information. These forward-looking statements are based on the management's current plans, expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA and other regions from which Commerzbank derives a substantial portion of its revenues and in which Commerzbank holds a substantial portion of its assets, the development of asset prices and market volatility, especially due to the ongoing European debt crisis, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives to improve its business model, the reliability of its risk management policies, procedures and methods, risks arising as a result of

regulatory change and other risks. Forward-looking statements therefore speak only as of the date they are made. Commerzbank has no obligation to update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.