

JULY 2025

ESG *has to be* a team effort!

The ESG Framework for our
Sustainability Strategy



COMMERZ REAL

Foreword from the Management Board

The climate emergency is the dominant crisis of our time. Society's growing awareness of the urgency of the situation is reflected in almost every facet of economic thought and action. All sectors and the infrastructures supporting them are facing dramatic upheaval. As asset managers for real estate and renewables, we are part of this and therefore have a great responsibility to find real and sustainable solutions to current issues.

Our focus:

networking material values to create sustainably value-adding environments that inspire people, partners, investors and society.

We see this vision as a motivation, obligation and promise. It reminds us that our business actions have a profound effect on people, our surroundings and our environment. And, most of all, that we are not seeking short-term profits, but rather lasting value that spans generations.

We also bear a responsibility towards those who live and work in our properties; by investing soundly, we help them to safeguard their future, provide them with sustainable infrastructure and support them as they grow themselves and their businesses.

ESG has to be a team effort!

For us, sustainability is more than just a set of KPIs, but rather a compass that sits at the heart of our corporate strategy.

To support this ambitious endeavour, we have set clear targets in all three dimensions, i.e. environment (E), social responsibility (S) and good corporate governance (G). This ESG Framework serves to guide our quest for sustainability and sets out in detail the measures and indicators by which we are obligated to

implement our vision. On the following pages, you will learn how our sustainability strategy reflects the complex, fragile and precious environments in which we live, work and support each other as a community. And, most importantly, you will learn how we intend to achieve these myriad goals:

ESG *has to be*
a team effort!

Dr Nicole Arnold
Member of the
Management Board

Dirk Schuster
Member of the
Management Board

Christian Horf
Member of the
Management Board

Henning Koch
Chairman of the
Management Board



ESG *goes to* the next level!

We have split this Framework into three main chapters based on the ESG dimensions. In this brief introduction, we present our sustainability strategy, offer an overview of its general scope, examine the status quo and provide an initial look ahead to sustainability and ESG goals that we have set for ourselves at Commerz Real.

Shaping the future together.



The transformation to a more sustainable economy affects us all. Here at Commerz Real, we strive to actively help shape this process. With this in mind, the topic of sustainability is not only included in our vision, but also forms a central plank of our business strategy.

At the heart of our strategy is the overarching commitment¹ to achieving net zero, both as a company and in terms of our investment and financing portfolio. In order to meet

this ambitious goal, our subsidiaries provide² our clients with innovative solutions that contribute not only to transforming building stocks, but also the expansion of renewable energies. Our leasing solutions also actively help entrepreneurs and corporate clients to make their sustainability transformations.

For us, this is a holistic and, above all, collaborative process in which we can only be successful with the help of all our employees and subsidiaries. Against this backdrop, this ESG Framework lays the strategic basis for sustainable alignment and transformation.

¹ Net zero is achieved when no greenhouse gas emissions can be attributed to the organisation after it takes all necessary efforts to reduce greenhouse gas emissions. Unavoidable emissions (see also residual emissions) may only be offset using CO₂e removal measures ('Net Zero Guidelines', published by the International Organisation for Standardisation (ISO) at the UN Climate Conference 2022). The measures that Commerz Real AG is taking to achieve net zero can be found in the chapter entitled "ESG has to be environmentally conscious".

² An overview of the subsidiaries of Commerz Real AG and their locations can be found [here](#).



*Specifically,
this means:*

- **Transparency about our sustainability management**
- **Clarity about our interpretation of ESG**
- **Focus on our key areas**

This ESG Framework will be updated on a regular basis in order to reflect both regulatory developments and our own progress. As a result, we will continuously align our Framework with the planned further expansion of the EU Taxonomy Regulation under the European Commission's

action plan on financing sustainable growth. In addition, we make the current status of our overarching sustainability goals transparent, such as the annual development of our greenhouse gas emissions (CO₂ e).³

³ Greenhouse gas emissions are also referred to as CO₂e emissions (i.e. CO₂ equivalents). CO₂e is both a method and a unit of measurement for comparing different greenhouse gases. This is because CO₂, methane and nitrous oxide have different effects on the climate. With CO₂e, all these gases are converted into a common unit to better understand their overall effect.

Sustainability enshrined.



We launched our >Sustainable4Life< sustainability strategy back in 2020 with the aim of systematically rooting sustainability within our corporate structure and harnessing all resources at our disposal in order to achieve a vision of intact habitats, healthy nature, happy people and economic success.

In 2023, we started completely afresh – a step that was marked by the establishment of a central department for strategic sustainability issues. Sustainability Management forms part of the Group Strategy & Sustainability unit and is responsible for the further development of the sustainability strategy and the comprehensive integration of the topic into the company's governance.

Its duties include developing and updating the sustainability strategy and sustainability management, advising on the establishment of sustainable corporate development, (internal) Group sustainability reporting and public relations work connected with ESG. The unit reports to the chair of the Management Board of Commerz Real AG.

The strategy and this ESG Framework are the result of an intensive and cooperative process focused on a holistic consideration of all sustainability dimensions. Alongside the 'E', KPIs have now been devised for the 'S' and the 'G'. All targets are designed to be 'smart', i.e. specific, measurable, achievable, realistic and timely.

The strategic framework.

As an asset manager, it is our responsibility to use our influence and our passion to protect sustainable environments through our activities. As a subsidiary of Commerzbank AG, we share their direction – along with industry and business – in terms of meeting the targets of the Paris Agreement and Agenda 2030.

This includes:

- **Reducing emissions quickly and significantly**
- **Phasing out CO₂e-intensive processes**
- **Expanding climate-friendly innovations**
- **Preserving the environment and biodiversity and using them sustainably**
- **Helping to shape an equal and humane society**



This ESG Framework represents a new medium when it comes to improving understanding and the reach of our sustainability strategy. In addition, the existing sustainability targets have been refined and consolidated as KPIs across all three dimensions – E, S and G.

This document does not represent a sustainability report in the conventional sense. The Commerz Real Group fulfils its regulatory obligation pursuant to the Corporate Sustainability Reporting Directive (CSRD) through the reporting of the Commerzbank Group. With this ESG Framework, we are instead creating a basis that focuses on the essentials and encompasses targets, strategies and progress.

United in the quest for zero.



Talking sustainably with:

Maria Paradies

What is the purpose of the ESG Framework?

First and foremost, it is about creating a holistic and harmonised approach to the topic of sustainability across the Commerz Real Group. This Framework is not only aimed at internal stakeholders, but also at external stakeholders.



‘The guiding idea of our sustainability strategy encapsulates it perfectly: ESG has to be a team effort.’

Maria Paradies
Global Head of Group Strategy and Sustainability
Commerz Real AG

What makes it so special to you?

The guiding idea of our sustainability strategy encapsulates it perfectly: ESG has to be a team effort. Sustainability is a subject that cuts through the entire organisation. With this Framework, we are demonstrating that sustainability plays a central role at Commerz Real and that it is a mission that we can only deliver as a team. Despite this document containing a wealth of data and sustainability-related key performance indicators (KPIs), we do not want it to read like a dry report, but instead like what it is: a passionate, long-term project that we will be building on all the time and continuously updating. For sustainably value-adding environments that inspire people, partners, investors and society.

ESG *has to be* environmentally conscious!

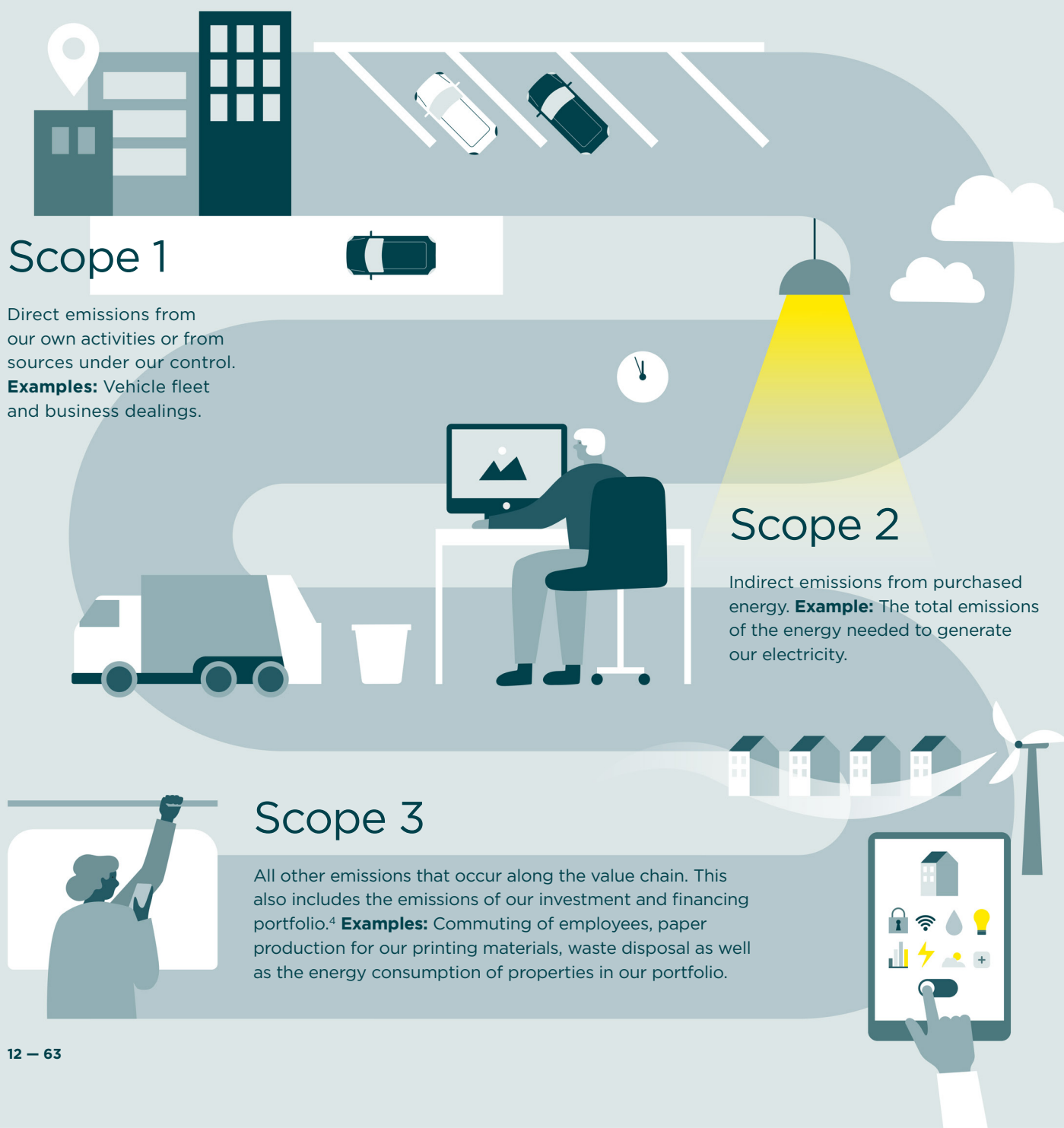
Here at Commerz Real, we are committed to the Paris Agreement and Agenda 2030. We are therefore spearheading the transformation to greater sustainability and accelerating a reduction in our greenhouse gas emissions as well as our negative effects on the environment and biodiversity.

Leading the way.

Net zero:

At Commerz Real, we are committed to achieving net zero by 2040 for our company's emissions and by 2050 for our portfolio. We will be doing so on the basis of our greenhouse gas footprint in accordance with the Greenhouse Gas Protocol and PCAF Standard, which we have been calculating for the Commerz Real Group every year since 2021. We currently record our emissions across the following scopes:

Net zero is achieved when no greenhouse gas emissions can be attributed to a building or a portfolio after all necessary efforts to reduce greenhouse gas emissions are taken. Only unavoidable emissions may be offset with CO₂e removal measures



EU Taxonomy.

What does it take to be sustainable? The EU Taxonomy Regulation provided an answer to this key question in 2020. It is an EU-wide system for the classification of sustainable economic activities.⁵

An economic activity is considered environmentally sustainable if it contributes significantly to one or more of the six environmental objectives of the EU Taxonomy Regulation and does not significantly harm any of the other environmental objectives. These include:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

In addition, compliance with minimum social standards must be ensured, including the exclusion of child labour and fair pay within the value chain.⁶



In short, this means that three prerequisites must be met for investments to be aligned with the Taxonomy:

1. There must be a significant contribution to an environmental objective (such as climate change mitigation or climate change adaptation).
2. There must be no negative impact (“do no significant harm” criteria) on the other environmental objectives.
3. Compliance with certain minimum standards of corporate governance and social standards such as human and labour rights must be ensured.

4 These are mainly attributable to the market representation companies of the Commerz Real Group. From the latter’s point of view, the emissions represent financed emissions, which are allocated to financial activities in the name or on behalf of clients or business partners. Further information on the emission intensity of individual products and services can be found in the fund documents on the website of **Commerz Real Investmentgesellschaft mbH**, **Commerz Real Kapitalverwaltungsgesellschaft mbH** and **Commerz Real Fund Management S.à r.l.** as well as the **sustainability strategy paper of Commerz Real Mobilienleasing GmbH**. It does not include the portfolio of Aquila Capital Investmentgesellschaft mbH, which was added to the subgroup during 2024.

5 **Regulation (EU) 2020/852** of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 sets out criteria for determining whether an economic activity qualifies as environmentally sustainable in order to determine the level of environmental sustainability of an investment.

6 The EU Taxonomy Regulation was adopted in 2020 and entered into force in 2022. More information can be found [here](#).

The EU Taxonomy aims to provide guidance and incentives for investors to direct capital towards the green transition of energy production and the economy.

After all, the need for investment here is substantial:

By 2050, between USD 100 trillion and USD 300 trillion of private capital will be needed for the green transformation.⁷

This enormous amount clearly demonstrates that: the financial system plays a key role in the transition to a low-emission, resource-efficient economy. As a financial services company, we want to do our part. For this reason, we analyse the share of EU Taxonomy-compliant investments for individual funds of the Commerz Real Group. This KPI serves as an indicator for the environmental sustainability of the investments of the respective fund and can be found in the fund documents.⁸



⁷ World Economic Forum calculation from 2023, which can be found [here](#).

⁸ Individual funds of the Commerz Real Group have committed to complying with minimum quotas of sustainable investments in accordance with Article 3 of the EU Taxonomy Regulation. These investments are intended to make a significant contribution to the environmental goal of climate change mitigation and/or climate change adaptation within the meaning of the Taxonomy Regulation. Further information can be found in the fund documents on the websites of **Commerz Real Investmentgesellschaft mbH**, **Commerz Real Kapitalverwaltungsgesellschaft mbH** and **Commerz Real Fund Management S.à r.l.**

Creating sustainable value.



Our approach to sustainability is holistic. We understand it as the interlinking of ecological, economic and social responsibility. That is why we have developed concrete sustainability goals that drive our business forward.

Our approach: interlinking real estate and renewable energies.

'If you're serious about real sustainability and avoiding greenhouse gas emissions, you need to think about real estate and energy together.'

Henning Koch
CEO
Commerz Real AG

At the Commerz Real Group, we have set ourselves the goal of sustainably reducing the CO₂e footprint of the global portfolio, thereby making an important contribution to achieving the climate goals of the Paris Agreement. This is for good reason. After all, public attention is on the real estate sector due to its high contribution to greenhouse gas emissions. Globally, around 40% of CO₂e emissions are attributable to the built-up environment.⁹ In addition, buildings are still one of the largest energy consumers today. A sustainable energy supply through renewable energies offers an effective approach to making improvements here. Harnessing wind, water and the sun is not only climate-friendly, but also practically unlimited, versatile and cost-efficient.¹⁰

As an asset manager with a focus on real estate and renewable energy systems, interlinking these two things is therefore a central component of our strategy. For the properties we manage, the focus of our commitment to greater sustainability is not only on the structure itself, but also on the responsible use of energy. We combine this with our goal of actively contributing to expanding the energy supply of the future: for our investors and for the sustainable transformation of our entire portfolio.

Our actions are aimed at achieving our strategic objectives. In order to achieve the status of a net zero portfolio by 2050, we are already taking several steps along the entire value chain of our tangible assets.

As a subsidiary of Commerzbank AG, which is committed to achieving net zero by 2050, we are also steering our portfolio towards net zero emissions. We intend to gradually reduce the emissions of our investment portfolio along our real estate and renewable energy focus areas.

⁹ As at 31 September 2024, Architecture 2030 analysis, which can be found [here](#).

¹⁰ Harnessing wind, water and the sun for energy is considered practically unlimited, as these resources are continuously available, unlike fossil fuels. Wind and sunlight are natural phenomena that are constantly renewed by the earth's rotation and solar radiation. Hydropower is based on the water cycle maintained by evaporation and precipitation. These renewable energy sources can make a significant contribution to security of supply, avoiding commodity conflicts and reducing dependence on fossil fuels. Nevertheless, there are technical and infrastructure challenges, such as the storage and distribution of the generated energy, that need to be solved in order to maximise their use. More information on this can be found [here](#).

Two charts provide an overview.¹¹

Chart 1

Greenhouse gas intensity in kg CO₂e/sqm in the property portfolio managed by the CR Group

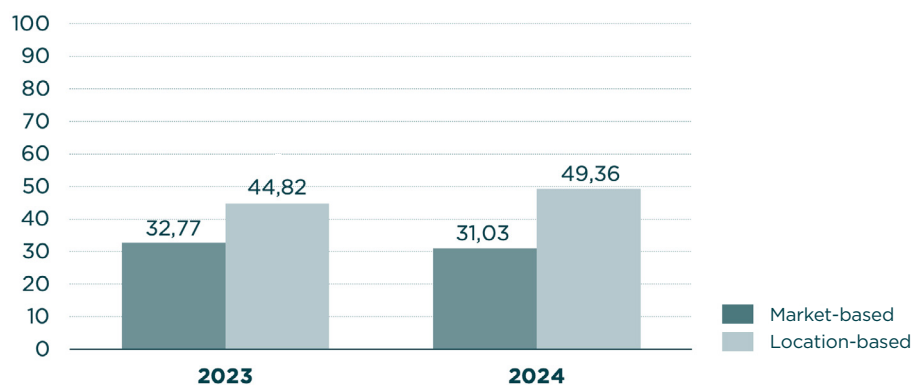


Chart 1 shows the emission intensity of the real estate portfolio managed by the CR Group according to a market and location-based approach.

Chart 2

Greenhouse gas intensity in g CO₂e/kWh in the renewable energy portfolio managed by the CR Group

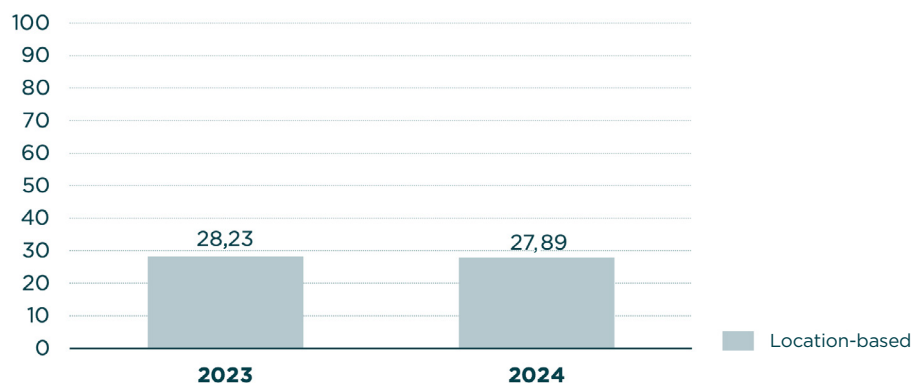


Chart 2 shows the emission intensity of the renewable energy portfolio managed by the CR Group according to the location-based approach.

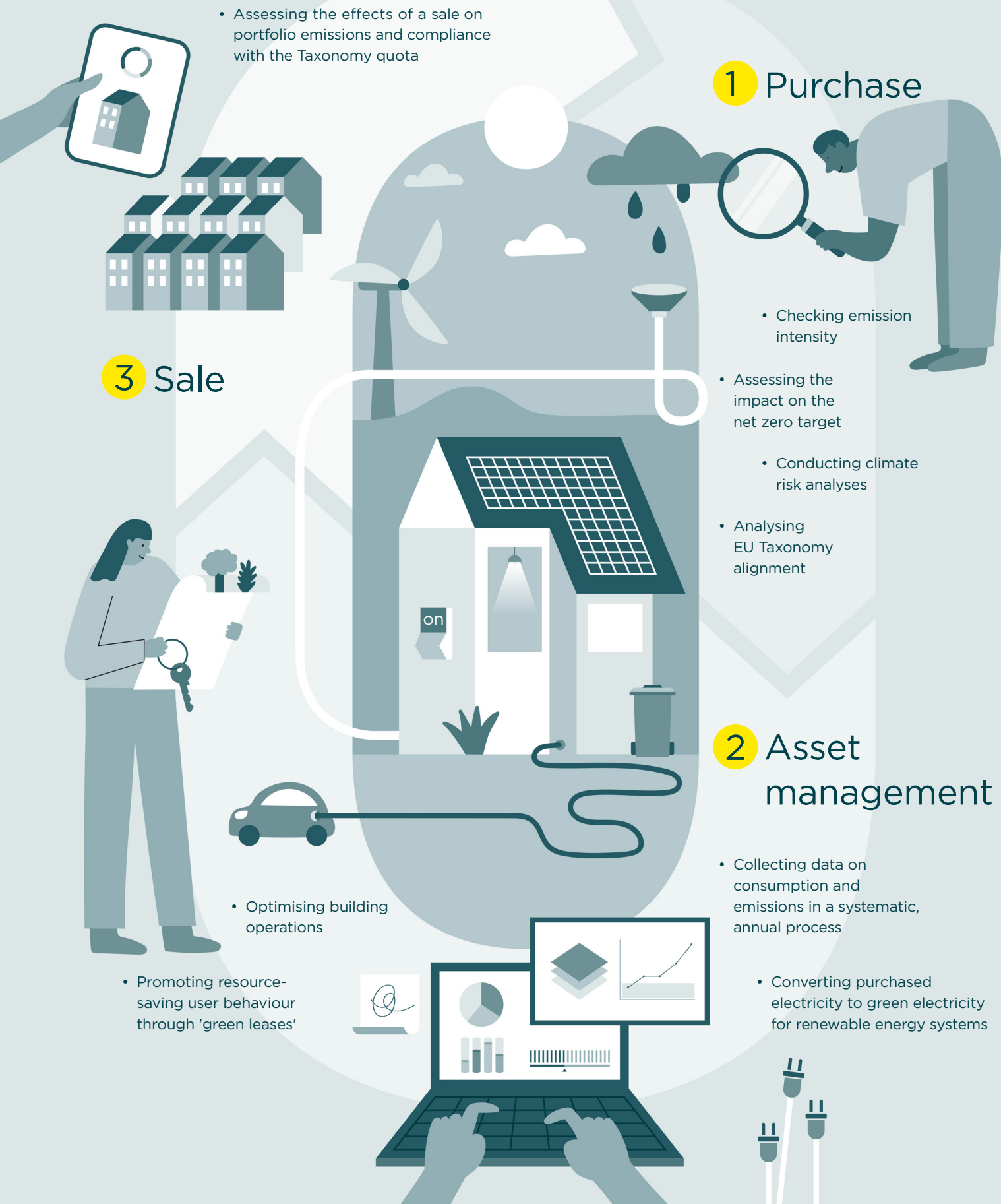


Market-based emissions are calculated according to purchased electricity. For location-based emissions, the average electricity mix of the region in which the electricity is consumed is taken into account.¹²

By accurately recording our emissions, we have created a solid data-based foundation for our actions. For us, this transparency is not the end point, but the starting point. It allows us to take action where it has the greatest impact. In order to achieve the status of a net zero portfolio by 2050, we are already taking several steps along the entire value chain of our tangible assets.

¹¹ The emission intensity of the leasing portfolio can be found in the [sustainability strategy paper of Commerz Real Mobillenleasing GmbH](#).

¹² Detailed information on the market and location-based approach can be found in the [Greenhouse Gas Protocol Guidance](#).



Each time we make a purchase, we check how emissions-intensive the properties and renewable energy systems are. For real estate, this also includes a forecast of how these will impact our net zero target in the portfolio. When conducting due diligence, we use an established climate risk assessment tool, which takes into account future scenarios based on the representative CO₂e concentration paths of the World Climate Council. In addition, where relevant, we analyse the conformity of the assets in accordance with the technical regulatory standards of the EU Taxonomy Regulation. By making these targeted investments, we are sending out a powerful signal for sustainable real estate and renewable energies and are actively contributing to the achievement of the European Union's environmental goals.

As part of asset management, collecting and analysing data is essential. Only if we understand the effect of our properties on the environment and which resources are consumed where can we take targeted measures to reduce emissions. For this purpose, we systematically record the consumption data of the properties and renewable energy systems in an annual data collection process to determine emissions. This data provides the basis for the transformation of our properties.

For our renewable energy systems, we are gradually converting the electricity purchased from our tangible asset investments to green electricity, insofar as this is compatible with the existing structural and technical conditions. At the same time, we contribute to the supply of renewable energies with precisely these systems.

- The Commerz Real Group's renewable energy funds encompass 43 wind farms and 62 solar farms¹³ in seven European countries.
- In 2024, 2,297,045 MWh of electricity was fed into the grid. This means that approximately 575,553 households could be supplied with the green electricity fed into the grid.¹⁴

In the case of real estate, we try to reduce energy consumption and thus emissions through targeted measures, such as the optimisation of heating and cooling technology. Moreover, involving the tenants and raising their awareness is also crucial for resource-saving user behaviour.

Chart 3

Energy consumption of the property portfolio managed by the CR Group in kWh/sqm

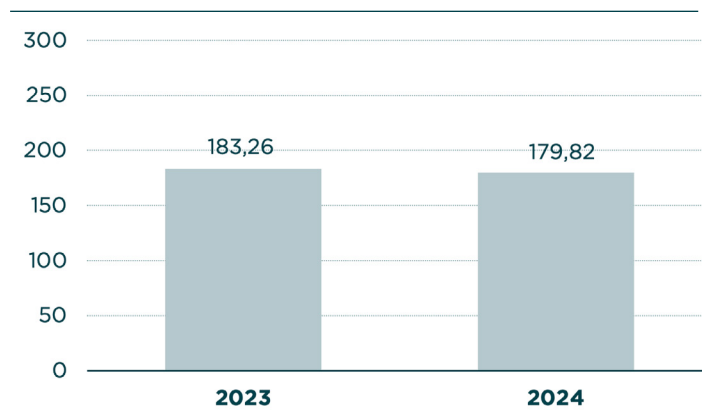


Chart 3 shows the energy consumption of the CR Group's property portfolio in kWh/sqm. Our tenants account for more than half of the energy consumption in our property portfolio.¹⁵

With green rental or lease agreements, we therefore demonstrate close cooperation with the building users. These contracts include specific measures to improve energy efficiency and promote resource-efficient user behaviour, such as the reduction of waste by the tenant and regular maintenance of heating and cooling systems by the landlord. This contributes to reducing resource consumption, promoting dialogue and achieving greater sustainability in operations.

- **Green leases are already in place for 22% of the leased space of the CR Group.**¹⁶

In the case of the sales process, we examine the impact on portfolio emissions as a result of the potential disposal of the property. In addition, where relevant, we assess the impact on compliance with the minimum quota of sustainable investments defined by the relevant fund in accordance with Article 3 of the EU Taxonomy Regulation.

¹³ Six of these solar farms are currently still under development. As at 31 December 2024.

¹⁴ Calculated on the basis of the average electricity consumption of households in the respective investment countries. The Odysee-Mure database can be found [here](#).

¹⁵ As at 31 December 2024.

¹⁶ As at 31 December 2024. A green lease contains at least one provision for the sustainable use and management of the leased property in ongoing operation, reduction of waste, consumption and emissions as well as environmentally safe implementation of maintenance, modernisation and other construction measures. More information can be found in the ZIA handouts, which can be found [here](#).

For a climate-neutral operating and supplier portfolio.



Even as a non-producing company, we are committed to systematically reducing our own emissions. In order to be as efficient as possible in this regard, we produce an annual greenhouse gas footprint in accordance with the Greenhouse Gas Protocol. By recording consumption data, we can pinpoint areas of focus and devise effective measures.

In general, we take the total emissions into account as intensities. This means that we compare the total emissions to a benchmark. For our emissions as a company, this benchmark is the number of employees per year. For our properties and renewable energy systems, we compare the KPIs for the total area and the energy produced. In this way, we enable the figures in the annual overview to be compared, even with increasing or decreasing numbers of employees and changes in portfolio size.

Two charts provide an overview.¹⁷

Chart 4
Greenhouse gas intensity in kg CO₂e/employee of the Commerz Real Group¹⁸

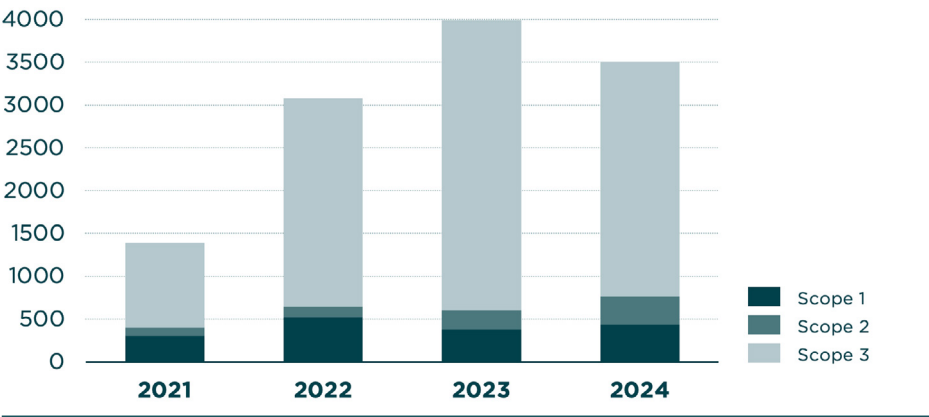


Chart 4 clearly shows the focus on Scope 3 emissions that arise along the value chain. These increased significantly after the pandemic in 2023 due to the increase in mobility for commuting and business trips. In 2024, emissions fell again due to the decline in air travel.

Chart 5
CO₂e emissions of the Commerz Real Group by category¹⁹

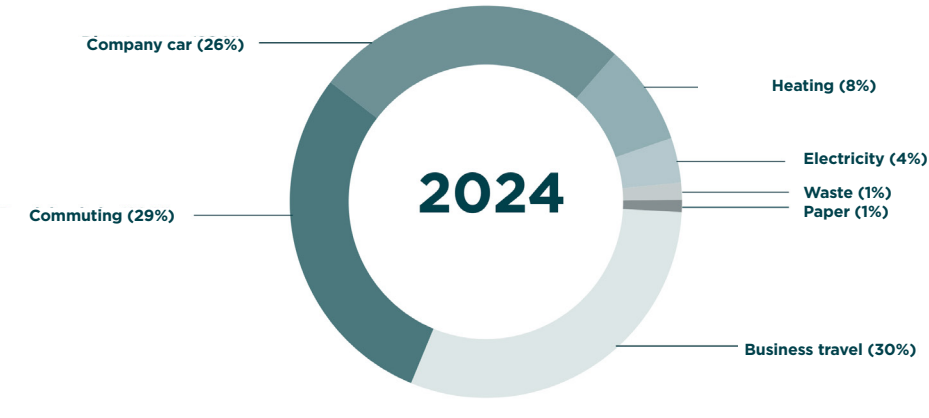


Chart 5 shows the main categories that result in emissions: business travel, commuting and company cars.

Changes over the years can only be determined reliably if consumption is always measured consistently and carefully. It is therefore crucial that the data is always kept complete and accurate. This data serves as a planning basis for our environmental management.

Every four years, we conduct an energy audit on a regular basis with the help of qualified and accredited energy auditors. During this process, measures are derived to reduce the electricity and heat consumption of our company. A successful example of this is the purchase of green electricity at our two main locations.

¹⁷ The emission intensity of the leasing portfolio can be found in the [sustainability strategy paper of Commerz Real Mobilienleasing GmbH](#).
¹⁸ In 2024, the reporting period was changed to 1 October – 30 September due to Group-wide uniform requirements for CSRD reporting.
¹⁹ Emissions from water and refrigerants and extinguishing agents that account for less than 1% of the total emissions are not listed.



Next stop: mobility.



We see it as our responsibility to provide our employees with targeted support for sustainable mobility: from commuting and bike leasing through to business trips, there is a need for suitable offerings that make switching to alternatives both convenient and climate-friendly.

Employee commuting constitutes one of the leading causes of our operational emissions, which is why it is being accorded special attention with regard to emissions reduction. Ever since April

2020, all Commerz Real employees in Germany without a company car and who use a monthly or yearly pass to commute to work on local or mainline public transport have been receiving a monthly travel expense allowance of 20 euros, the aim being to reduce traffic and ease the environmental burden. We offer another incentive in the form of our bike leasing service. All employees can configure their own bike or e-bike, lease it and thus make use of personal tax benefits.

Company cars are key

We also aim to set a good example when it comes to motorised transport. Therefore, we have been switching our company cars and leasing vehicles to EVs since March 2023, meaning that combustion/hybrid vehicles can no longer be ordered. This also applies to employees' privately used lease cars. In overall terms, the entire fleet is planned to be electrified by 2027.



Chart 6

Forecast for the electrification of the entire fleet

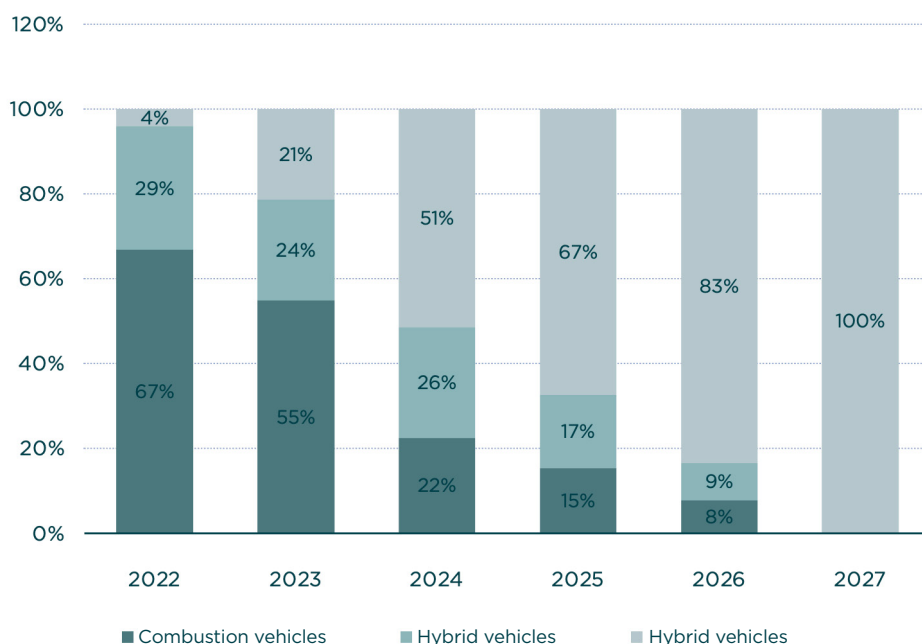
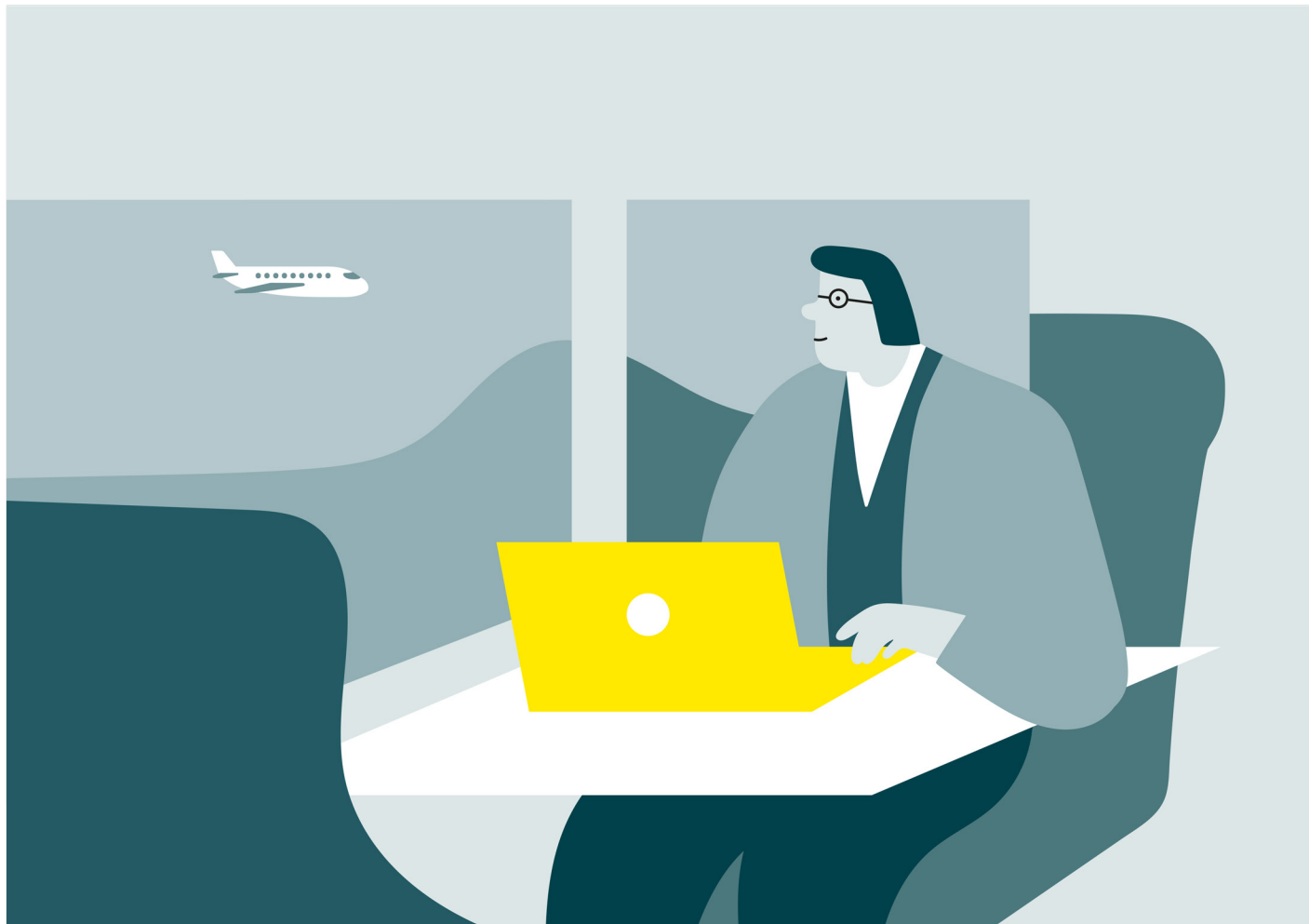


Chart 6 shows the electrification of our fleet by 2027. But we are not leaving our employees in the lurch. Our main locations in Wiesbaden and Düsseldorf have 38 charging points.²⁰ With 100% green electricity, we have also made them climate-friendly. This is how we are setting the course for the sustainable mobility transformation at Commerz Real.

Travelling with the climate in mind.



We recognised at an early stage that business travel has a considerable influence on our CO₂e footprint, which is why we are rigorously tracking our activities, even as the number of business trips increases again after the pandemic. The annual evaluations of our operational emissions indicate clear potential for reductions in this area. In terms of air travel, we have already issued the clear instruction to refrain from taking domestic

flights wherever possible, and have codified this in our Business Travel Guidelines, which represent a key tool in respect of making business travel more climate-friendly. The Guidelines also stipulate that rail, as the greenest mode of transport, should be the first choice for all employees. This means that we refrain from flying wherever possible and consequently accept longer journey times to a reasonable degree.

Climate-neutral supply.



In alignment with Commerzbank, Commerz Real has set itself the goal of holding a verifiably climate-neutral supplier portfolio by 2040. Measures are already being instituted to systematically incorporate sustainability within our supplier selection and management process. It also represents one of the qualitative criteria that must be considered

in procurement decisions under the terms of our Purchasing Guidelines. Sustainable corporate policy is firmly anchored in all supplier onboarding programmes in the supplier management tool of the Commerz Real Group. In addition, the Group's Code of Conduct stipulates that its business partners are also obligated to observe human and privacy rights.

Talking sustainably with: Andreas Götz

‘I am particularly proud of the fleet conversion to purely electric vehicles.’

Andreas Götz
Head of Organisation,
Commerz Real AG



What role does the topic of sustainability play in your department and your work?

A huge role. After all, the Organisation department is responsible for recording and managing CO₂e emissions at Commerz Real. We carry out a raft of measures in this regard: we have had green power agreements for many years, we review the environmental friendliness of investments such as furniture purchases and, wherever equipment is modernised, we ensure that due regard is paid to energy-saving solutions, e.g. during the switch to LED lighting. But we are also spearheading sustainability in our relations with our cafeteria operators. For instance, disposable packaging is no longer used, paper cups have been replaced by a deposit system and we consciously put vegan and vegetarian options – i.e. meals that typically generate fewer emissions – on the menu.

What sustainable measures are you especially proud of?

I am particularly proud of the fleet conversion to purely electric vehicles. We started the process of installing large-scale charging infrastructure at our two main locations in Wiesbaden and Düsseldorf at a very early stage, i.e. back in 2020. In 2023, the Company Car Guidelines were then adapted to stipulate the transition to solely electric vehicles. Since then, the share of EVs has been increasing all the time and now stands at around 100 vehicles. Based on company vehicles (excluding leased cars), this means that roughly 70% of the fleet is fully electric and a further 18% partially electric, i.e. hybrid vehicles. As a result, we have already travelled 1.5 million kilometres on electricity in 2024 and will be modernising the remaining vehicles in the years ahead. Once the changeover is complete, approximately 450,000 fewer litres of fuel will be consumed.

Protecting biodiversity.



Biodiversity is the basis of all life on earth – and secures around half of the world's economic output.²¹

Against this background, we are expanding our ESG Framework. In addition to climate change mitigation, the protection of biodiversity is now also becoming the

focus of our work. By 2030, we want to introduce binding standards to reduce our impact on biodiversity and systematically manage the associated risks. There are currently no suitable KPIs to measure progress comprehensively, but we are working on developing them.²²

²¹ According to an evaluation by WWF, which can be read [here](#).

²² Due to the complexity of measuring and thus managing biodiversity as well as the low availability of data, an overall portfolio objective is currently still a major challenge.

Biodiversity secures our nutrition, strengthens nature's adaptability and enables key ecosystem services. It regulates the climate, filters water, produces oxygen and protects against natural hazards such as flooding.²³

A particularly important contribution to climate stability is the sequestration of CO₂ through natural reservoirs such as species-rich forests, healthy marshlands and intact seas. But these vital ecosystems are increasingly at risk.

The main cause of biodiversity loss is currently changes in land use. Habitats are being destroyed, carved up or overused – for example by agriculture, housing development or infrastructure. Pollution, invasive species and direct exploitation of natural resources also contribute to the threat.²⁴ Climate change also acts as an amplifier. It changes temperature and precipitation patterns, shifts habitats and increases pressure on already weakened ecosystems. According to the Helmholtz Centre for Environmental Research (UFZ), its importance as a driver of biodiversity loss will continue to increase in the future.²⁵

To put it simply:

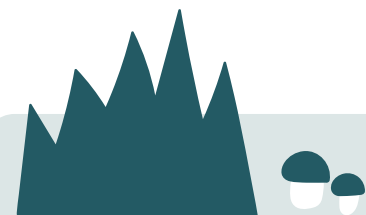
Without biodiversity, there is no stable climate, no functioning ecosystems – and no net zero.

The loss of biodiversity threatens not only the environment, but also our quality of life and economic stability.

To counteract this, international cooperation is needed. An important basis for this is the United Nations' Kunming-Montreal Biodiversity Framework. It defines global biodiversity goals and measures adopted by states and businesses worldwide.

The Kunming-Montreal Biodiversity Framework is integrated into the 2030 Agenda. It defines four global goals by 2050:

1. Preserving existing ecosystems and ending species extinction caused by human activity.
2. Sustainably using and managing ecosystem services. Ecosystems in decline are to be restored.
3. Distributing natural resources and ecosystem services equitably.
4. Spreading the financial burden fairly between developing and industrialised countries.



Biodiversity means the variety of living organisms from all sources - including terrestrial, marine and other aquatic ecosystems as well as the ecological complexes to which they belong. A distinction is made between three main levels:

1. Genetic diversity:
The differences in genetics (DNA) between organisms of the same species.
2. Species diversity:
The totality of all the different species of organisms in an area.
3. Ecosystem diversity:
The diversity of habitats such as forests, coral reefs or alpine regions with their respective characteristic flora and fauna communities.²⁶

²³ Gómez-Baggethun has defined essential ecosystem services in his article [here](#).

²⁴ An international research group has identified and measured the main drivers of biodiversity loss. The results can be read [here](#).

²⁵ The Helmholtz Centre for Environmental Research provides a description of the effect of climate change on biodiversity loss [here](#).

²⁶ Definition based on Article 2 of the Convention on Biological Diversity, which can be found [here](#).

Our biodiversity promise: Reducing our negative impact by 2030

Biodiversity ensures the long-term value retention of our assets. After all, without biodiversity, there is no stable climate, functioning ecosystems or their economic benefits. Climate change and biodiversity loss influence each other, which is why our sustainability strategy considers both aspects.²⁷ We analyse how our business areas are related to biodiversity to develop practical approaches for our investments.

Our methodological basis is the LEAP approach of the Task Force for Nature Related Financial Disclosures (TNFD). The four-stage framework helps us systematically assess dependencies and impacts on nature.²⁸

A – Assess

Assessing the associated risks and opportunities

We investigated the locations of our company and our managed investments for their proximity to key biodiversity areas (KBAs)²⁹ and analysed them for opportunities, risks and negative impacts through the WWF Risk Filter³⁰.

L – Locate

Locating interfaces with ecosystems and biodiversity

We have carried out an analysis for our operations and assets. The dependencies and negative impacts on biodiversity were determined using the ENCORE database.³¹ The financial relevance of the business areas for Commerz Real was also taken into account.

P – Prepare

Preparing the response and reporting

We have derived concrete steps from the first three stages. By 2030, we will develop standards against all material risks and integrate them into business processes. However, we do not yet have suitable KPIs to measure the reduction of risks holistically.³² Nevertheless, we already want to reduce environmental pollution, the impact on ecosystems and risks when sourcing construction materials (stone, metals and wood) with clear rules for service providers and suppliers.

E – Evaluate

Evaluating dependencies and impacts on nature

Based on the results, we are focusing on properties and renewable energies in the first year.



We are also implementing two pilot projects by 2030. In doing so, we are recognising, measuring and transferring the benefits of biodiversity promotion to our portfolio. For instance, in a real estate project, we are investigating how plants, new habitats and targeted nesting aids improve the microclimate, increase human well-being and promote biodiversity. In another renewable energy project, we want to show how we can reduce and offset the negative effects of our energy assets. For example, we are looking at how targeted planting can simplify the maintenance of solar parks and at the same time attract more species.



27 An overview of the relationship between climate change and biodiversity loss is provided by the Helmholtz Centre for Environmental Research [here](#), for example.

28 The LEAP approach can be read in detail [here](#).

29 KBA stands for key biodiversity areas and refers to all biodiversity-sensitive areas worldwide. You can find more information [here](#).

30 The WWF Biodiversity Risk Filter is a freely available tool for financial services companies that highlights and prioritises location-specific biodiversity risks of economic activities. Free access to the WWF Risk Filter is available [here](#).

31 The ENCORE database is a data platform of the UN Environment Programme that shows financial institutions dependencies and negative impacts on biodiversity. It can be [accessed freely via this link](#).

32 Due to the complexity of measuring and thus managing biodiversity as well as the low availability of data, portfolio measurement is still a major challenge. The variety and complexity of indicators in the field of biodiversity are highlighted in [publications](#) by the Taskforce on Nature-Related Financial Disclosure.

ESG *has to be* compassionate!

The transformation towards environmental sustainability must not come at the cost of social aspects. We therefore strive to make the society in which we live and work sustainable. Here, we focus on the topics of 'workplace' and 'community'.

Growing together.



We develop properties and neighbourhoods around the world, not only making a substantial contribution to urban architecture but also creating new usage, professional and residential opportunities for people. Therefore, sustainable neighbourhoods for us do not just consist of energy-optimised buildings, but, in particular, also facilitate social cohesion, which is why we focus on sustainable and diversified neighbourhood development in our corporate citizenship strategy.

Through our social engagement, we strive to enable people to enter into dialogue, tackle problems together and devise solutions that benefit as many residents

as possible, thereby generating a genuine sense of belonging. Within our social setting, we build lasting partnerships with charitable organisations, communities and municipalities. We assume our share of responsibility for the areas surrounding our main locations in Wiesbaden and Düsseldorf, thus contributing to regional development. In order to meet our aims, we channel our charitable activities into two neighbourhoods with a significant need for social support. With our 'Your Hood' programme, we seek to proactively improve conditions on the ground in the areas of Wiesbaden Erbenheim-Hochfeld and Düsseldorf Flingern-Süd. This commitment forms the basis of our 'district partnership'.

Wiesbaden Erbenheim-Hochfeld³³

Erbenheim-Hochfeld is an area of residential tower blocks, most of which were built in the 1960s. Overall, the district has a lack of infrastructure such as educational institutions, leisure/cultural amenities for children and young people, shopping facilities and health care. The area has a very large migrant population, with many different nationalities and cultures coming together. Here, people live well below the poverty line, including first-generation migrants who now require social assistance despite having worked hard and who are unable to make ends meet on their pension. Erbenheim-Hochfeld is home to many families with a large number of children; many of these families receive social support and/or rental support, with child poverty high overall. Moreover, the unemployment rate in the area is well above average at around 12%, as is the share of people leaving school without any qualifications or an apprenticeship.



Düsseldorf Flingern-Süd³⁴

Flingern-Süd is a diverse and vibrant district facing a variety of challenges. It is one of the most socially deprived areas of Düsseldorf. Many people here are reliant on support and assistance to help them manage their daily lives and develop prospects for a brighter future. This is a residential area in which many different nationalities and cultures come together. A majority of families have a migration background, do not speak fluent German or have not been taught to read and write. Correspondingly, a large proportion of people require social support.

³³ Descriptions of the district's social issues are based on statistics from the city of Wiesbaden's **2019 social space analysis** and **social atlas** (as at 31 December 2024).

³⁴ Descriptions of the district's social issues are based on statistics from the city of Düsseldorf's **2024 district atlas**.

Objectives and measuring impact.



For us, it is always important to make a concrete and measurable contribution. We do not dodge the question of 'What difference is our social engagement actually making?' Instead, we measure the tangible value we add, thus establishing a

method for assessing performance in the area of corporate citizenship. We do not limit ourselves to the time, money and materials invested, but also consider the actual impact of our activities.

To this end, we perform a social cost-benefit analysis³⁵ in the districts every two years. ‘Social utility value’ cannot be measured in a universal or objective way, but is instead an indicator defined by the evaluations of addressees, social partners and Commerz Real – and reflects the needs and requirements of all parties involved. The maxim underpinning it is not only the net effect on the district, but also that resources are utilised in the most efficient and effective way possible. As such, this indicator not only comprises the changes observed in the lives of residents, but also the quality of the processes, structures and relationships involved in a sustainable district partnership.

In order to meet academic standards and observe the required level of independence, this analysis is carried out by an external social scientist. The social cost-benefit analysis builds on an initial process by which the useful value of our corporate citizenship activities is made measurable.

To this end, representatives of Commerz Real and the projects’ social partners and addressees held a workshop. Following an evaluation of the baseline measurement, a strategic KPI was developed in consultation with academic experts that helps to clearly channel our efforts. At the same time, it highlights our commitment to measuring our future performance using both financial and social indicators.

Our goal is clear: we aim to improve our value to society. In the context of our strategic district partnerships in Wiesbaden Erbenheim-Hochfeld and Düsseldorf Flingern-Süd, we measure the impact of our charitable activities as evaluated by individual participants. We then analyse these findings in a process supported by academics and identify whether any measures are required to achieve our goals and, if so, which ones.

*Our strategic goal
in this area:*

**We will increase our
social utility value
by 20% by 2030.**

(base year 2024)



Chart 1
Weighting in percentage terms

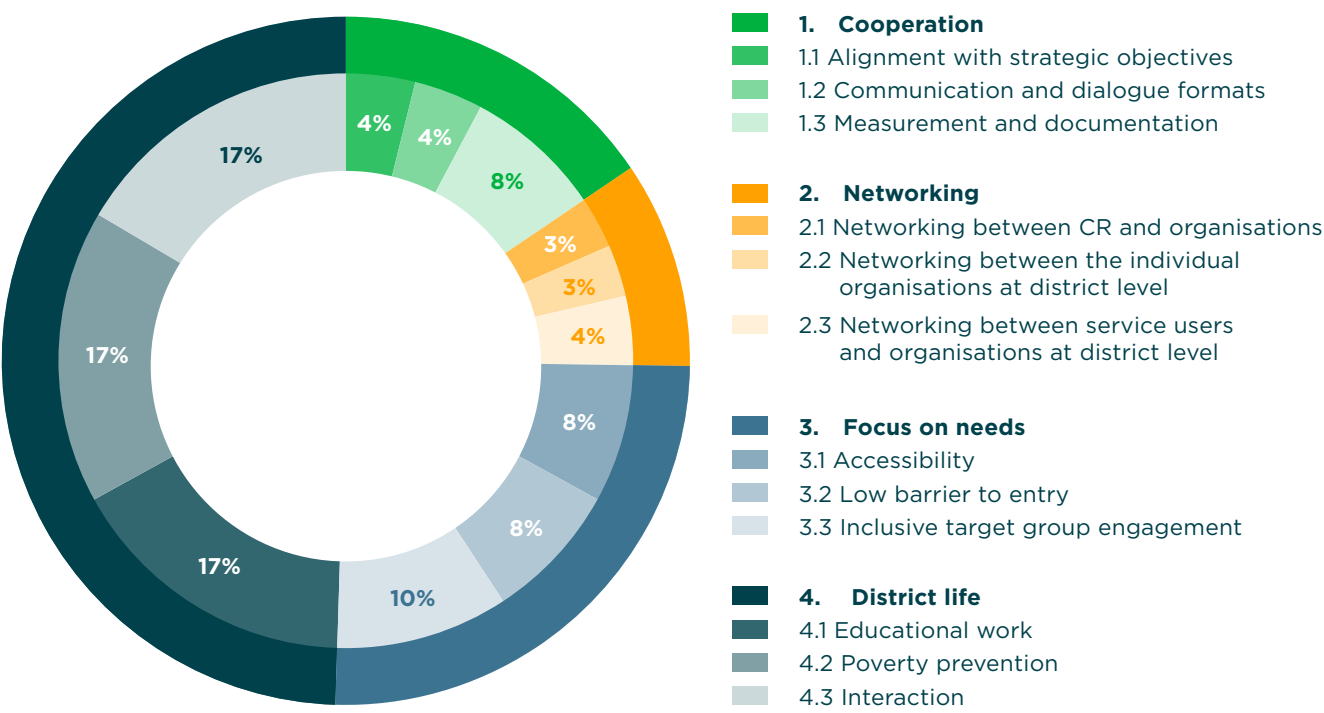


Chart 1 shows the weighting assigned to each individual category, as determined in the utility value analysis jointly carried out by Caritas Wiesbaden-Erbenheim, Diakonie Düsseldorf-Flingern, the City of Düsseldorf and Commerz Real.

Chart 2
Social utility value

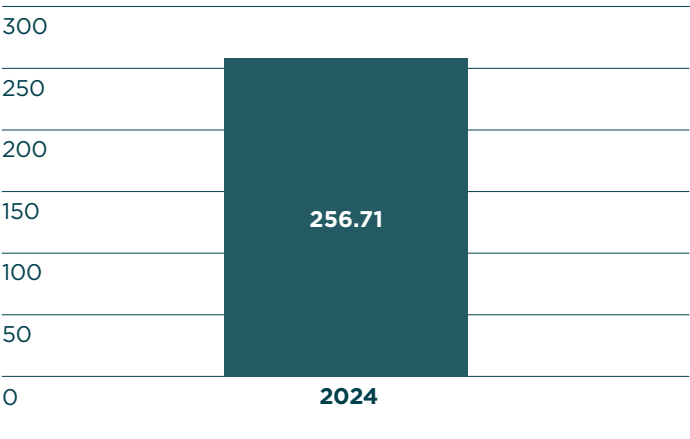


Chart 2 shows the current social utility value, which was determined at a corresponding workshop on 10 July 2024.

Talking sustainably with:

Constanze Jenstaedt-Fischer



‘Partnerships such as the one with Commerz Real give us unprecedented freedom.’

Constanze Jenstaedt-Fischer (third from left)
Head of Department,
Diakonie Düsseldorf

What are the focal points of your work in the community?

The community centre in the Flingern area of Düsseldorf serves as a first port of call for many people; as an institution acting on behalf of the Youth Welfare Office, it provides easy-to-access support in the form of family advice and education. It connects institutions within the district and supports citizens' own initiative. It first started its work back in 1982 by helping with homework and has since grown into a hub for interaction and advice, gradually

adding services for women, parents, children and everybody living in the neighbourhood. It not only offers German classes for migrant women, parent-child groups and sewing classes, but also provides advice to families and to older people at risk of falling into poverty. Residents are encouraged to shape their own district together and feel at home in Flingern. This is fostered by parties, initiatives and the provision of space for independently organised local groups.

What is the importance of partnerships with companies such as Commerz Real when it comes to achieving your goals?

Social work in Germany is costed down to the last farthing, leaving no scope for creative and innovative approaches. It is therefore almost impossible to work in a needs-based way or adapt services in an agile manner. Partnerships such as the one with Commerz Real give us unprecedented freedom to engage with people and make our materials and premises appealing.

The gift of caring.

Our corporate citizenship projects in 2024



Social Day 2024 in Düsseldorf

A raised bed grows - and with it the community.

Monetary donations.

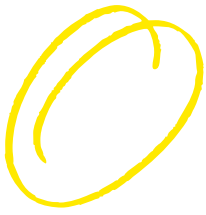
Generally speaking, monthly payslips do not show a round figure. As part of the 'spare change' programme, every employee of Commerz Real and Commerzbank has the option of donating everything after the decimal point, i.e. the amounts between 1 and 99 cents, on a monthly basis. What starts as a small amount for the individual soon grows into a substantial sum, where the cent amounts are multiplied by the number of participating colleagues in both companies. Over a one-year period, it is therefore possible to accumulate an amount that makes a big difference for a good cause. The donations are collected in a special fiduciary account. In 2024, we invested the **spare change**

donation, supported by our partner organisations Diakonie and Caritas, in our partner districts Erbenheim-Hochfeld in Wiesbaden and Flingern-Süd in Düsseldorf. A concrete project that started at the beginning of 2025 is called 'Come, let's play school!' It supports children with limited German skills in the last preschool year and prepares them for primary school.

We also generate financial funds for social projects through our **Real Impact Challenges**, but we do not take a 'convenient' route with a monthly donation from the payroll account. Instead, we take active action and collect points in the three ESG categories of environment, social responsibility and governance. A week

of climbing the stairs instead of using the elevator is rewarded with 10 points, a day of volunteering gets 50 points and internal further training provides 25 points. Everyone submits their points, which are then assigned to their own area. The score can be monitored on the intranet and acts as a sporting incentive for everyone. If the points target is reached at the end of the year, Commerz Real releases the donation amount. The company's own conviction and the constructive competition among the departments have meant that the fundraising targets have always been achieved in recent years. In 2024, we even broke the fundraising target of 30,000 points in record time. For this reason, we are increasing the target to 40,000 points in 2025.





'Social Day has brought a lot to our school, the children and the staff. The rooms have become much more welcoming and friendly. The parents' consultation room in particular is busier than ever before. Everyone loves to use this space! This helps us a lot in our teachingwork.'

Alexa Niemann

Deputy Head of Justus von Liebig School
Wiesbaden-Erbenheim



Social Day 2024 in Wiesbaden
Renovation work at Justus von Liebig School.



Social Day 2024 in Wiesbaden
A fresh coat of paint makes a welcoming impression.

Thanks to our donation from the Real Impact Challenges, we made ³⁶**climate camps** possible in 2024 in cooperation with the charity Hope4School. During these multi-day workshops, children in schools in our partner districts learned what climate change involves and what can be done about it. In addition to playful learning, the programme included vegetarian cooking and skills such as developing a climate app. We see climate education as an important concept for preparing future generations for the challenges of climate change. We have already been able to implement 11 climate camps with our donations, and three more are planned.

In addition, we have also made direct donations in recent years: to people

with diverse needs, to charitable organisations or to people in disaster zones. In addition to our ongoing commitment to the partner districts, we will continue to do so in future crisis situations.

Donating time.

Since 2015, we have regularly been organising **social days** at our two main locations in Wiesbaden and Düsseldorf. A social day is one day a year involving around 100 employees and thousands of individual actions in aid of a good cause. In 2024, we once again worked with Caritas in Wiesbaden and Diakonie in Düsseldorf to tackle the issues that were particularly urgent. We renovated and redesigned rooms in a primary school in Wiesbaden-Erbenheim. In Düsseldorf,

we distributed essentials to new mothers, built raised beds as well as painted and furnished the reading container and installed barrier-free access. Two fulfilling days that were valuable for everyone involved.

A relatively new module of our holistic sustainability strategy is **CR Volunteering**: It offers the opportunity to take one working day off per year to work on a social project. This can be at our district partners or at another social centre.

We believe in the power of volunteering and in the people who make it happen. We want to promote this social commitment with **social days** and **CR Volunteering**.





Social Day 2024 in Düsseldorf

Employees of Diakonie and Commerz Real distribute Omugwo bags with essentials to young mothers from Sub-Saharan Africa.

Donating materials.

With our **wish tree campaign**, we have been making the wishes of underprivileged children come true for several years now. The idea is simple: Many children's wishes hanging on a Christmas tree, giving employees the opportunity to put a smile on their faces – a small gesture that is rewarded

time and again by the tremendous gratitude of the children and that shows the importance of bringing society closer together. And not just during the festive season.

We also make **periodic donations** to our partner organisations, such as office furniture or second-hand mobile

phones. One insight that we have gained by donating materials on a regular basis is that items we no longer need can still add value for others.

'With part of the donation, we were able to organise two culinary evenings where 80 people came together. It wasn't just about eating – it was about meeting, sharing and creating a stronger sense of community in the neighbourhood.'

Lea Raasch

District Manager
Management of the Caritas Centre in Wiesbaden-Erbenheim

Ample scope for sustainability.



We are also taking the next step towards sustainability at our workplace. In 2022, the transformation of the old Human Resources department to 'People and Culture' was completed. A key process in terms of establishing existing measures and introducing new ones where it made sense to do so, the aim being to support all employees in making their own workplace sustainable.

*Developing people.
Shaping culture.*

Developing people. Shaping culture.



Our slogan sets us apart from traditional human resources work, rigid hierarchies and administrative red tape, which we believe are no longer adequate. The transformation to 'People & Culture' is an ethos that sees us put our employees at the heart of everything we do. What are the requirements of the

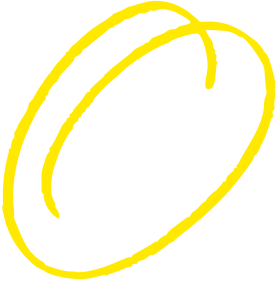
development-driven HR approach of tomorrow and how can we at Commerz Real ensure a positive corporate environment? How can we build a strong team? A team that will master the challenges of being a sustainable enterprise? Working hand in hand with Sustainability Management, the People & Culture division focuses on this and other issues.

For a positive working atmosphere.



Our executives are role models and key multipliers for their teams. They set out visions, empower, build up knowledge and support and influence our employees in order to safeguard the success of our company. Our understanding of successful leadership is set out in corresponding guidelines; these guidelines

are complemented by management training programmes, which provide help on how to structure a day-to-day routine. The FeedForward model based on these guidelines enables a constructive 'upward' feedback culture and helps to sustainably enhance the leadership culture.



We believe that good leadership is an effective incentive for existing employees to stay.



Whether technological progress, regulatory matters, structural changes or fiercely competitive markets: our executives are faced with rising complexity in their respective fields. With our 'executive as coach' training programme, we empower our executives to advise and support their teams more intensively. Here, they occasionally have to learn to put their own ideas to one side and recognise other points of view as valuable contributions.



The result is that our employees are empowered by the modern leadership philosophy of our executives to pursue their own approaches to problem-solving on the basis of personal strengths.

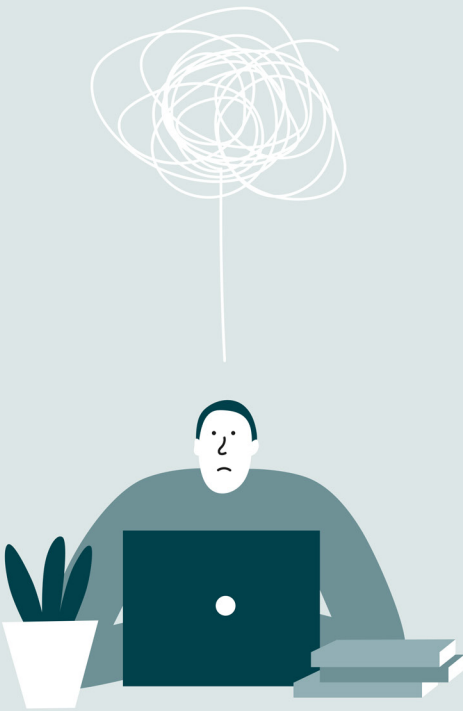


We also have further formats, including alternating formats, that foster acceptance of criticism and innovative thinking: the question of the month, the 'Management Board in Dialogue' format, the intranet blog post function and the more informal lunch invitations to employees from the Management Board.

For healthy interactions.

Health is a precious asset – and one that we take extremely seriously as an employer. By dint of our occupational health management programme Com.Fit, we lay the foundation for a workplace where physical and mental well-being matter.





Employee Assistance Programme (EAP)

Whether stress, conflict, grief or addiction: personal and working life alike are full of challenges and professional help can be a huge support in this regard. Our EAP plays a vital role by providing our employees and any relatives living in their household with professional advice in challenging situations in their personal and working lives. The service provider's experts answer questions in confidence and work with service users to find solutions. Immediate support in an emergency is available to employees free of charge and around the clock, 365 days a year.



Preventive care

In conjunction with our health-care providers, we offer employees a modern portfolio to supplement face-to-face formats in the field of occupational medicine and as part of our Employee Assistance Programme (EAP). Online platforms and portals cover a broad spectrum of flexible, on-demand services such as webinars, audio formats and video consultations. In addition, all employees have the option of contacting occupational doctors and psychologists with regard to health-related matters. These are bound by doctor-patient confidentiality and also provide long-term care.

With our 'Coffee & Destress' event series, we provide information and raise awareness of the importance of mental and physical health. Here, experts and employees talk openly about topics such as burnout, resilience, male/female health and nutrition. The aim is to raise awareness of these issues, remove the stigma and create an open forum for the sharing of knowledge and experience.




Com.Work

In 2022, we at Commerz Real began rolling out the new space and digitalisation concept Com.Work, which involves all employees in the redesign of their own office space. Alongside offices that can be booked as and when needed, dedicated rooms for video calls, interactions and relaxation, for example, are also being created. Together, we create a pleasant working environment for everyone that maintains and promotes mental health.

A growth culture.

We firmly believe that lifelong learning is an essential component of the sustainable development of Commerz Real. For us, nurturing our employees in an environment characterised by a spirit of partnership forms part of sustainable business development.

We strive to be an attractive employer for all, foster personal growth and training and give diversity the space to flourish.



(Further) training consists of numerous optional and compulsory modules such as seminars, workshops and e-learning programmes via multiple platforms, including Haufe Akademie, Commerzbank Learning and ZIA-Akademie. This offering can also be accessed via our Learnzeit+ programme:

- away from mandatory training and regardless of whether this is required for their day-to-day business, employees can learn about content that interests and excites them.
- Our goal here is for every employee to invest 12 working hours per quarter in their individual learning needs.

With the three modules of our development review, we focus on social rather than formal feedback. The mandatory development review centres on the employee's individual development. The brief dialogue can be initiated by both the employee and the manager and offers the opportunity to analyse and discuss individual training requirements and wishes. In this way, it becomes clearly visible in which areas employees are improving and where executives want to empower their employees. The optional development review is designed to deliver clarity and transparency in terms of what is expected of the employee. Our goal

is to hold two meetings per year with each employee and to document these meetings systematically. In the future, we endeavour to further increase this goal in order to ensure even more intensive employee communication. However, we do not regard feedback as a one-way street. As part of the third component – FeedForward – our executives therefore receive a comprehensive assessment of their leadership style from their teams. The initiation of the process by the executive is binding, while the participation of the employees is voluntary.

- In 2024, the employee participation rate reached 94%. This result will continue to serve as a benchmark for our goal achievement in the future.

In 2023, we established a mandatory seminar on the topic of ESG for all Commerz Real employees. After all, we firmly believe that sustainability affects us all and plays an important role in all areas of life. Every single contribution makes a difference and has an impact: both in its own right and for Commerz Real, investors, tenants and clients, for climate protection overall and thus on our company's ecological footprint. It was in this spirit that we launched the basic training course entitled 'Basic Knowledge of ESG', which covers current knowledge and brings

everyone up to date with sustainability practices and standards. This seminar not only represents a key step towards implementing our sustainability strategy, but also a key step into the future. One that seeks to empower all employees to carry our vision: we are pioneers and drivers of the networking of material values to create sustainably value-adding environments that inspire people, partners, investors and society.

Benefits for all life situations.

In addition to our employees' professional and personal development, we are committed to ensuring a good work-life balance. This includes offers tailored to different life situations, such as flexible working time models or simplifying the return to work after parental leave. In order to foster the dedication of our employees in a way that goes beyond remuneration, we offer an extensive range of additional benefits.

Flexible working

Commerz Real offers the option of choosing between different working time models. This includes variable working hours, trust-based working hours and the special four-day week. Furthermore, employees can work up to 50% from home and up to 20 days a year at a location of their choice abroad in the EU – and benefit from the fresh perspective and motivation this brings.



Childcare

Since 2022, Commerz Real employees have been entitled to a tax-free childcare allowance of up to EUR 50 net per month per child until they reach the age of three.

In addition, we offer flexible childcare via the pme Family Service: children aged 9 weeks to 12 years can be professionally looked after, for example, when nursery is closed. Childcare over the holidays is also available via the pme Family Service.

Employees can also make use of counselling and mediation services, which are free of charge with a few exceptions.

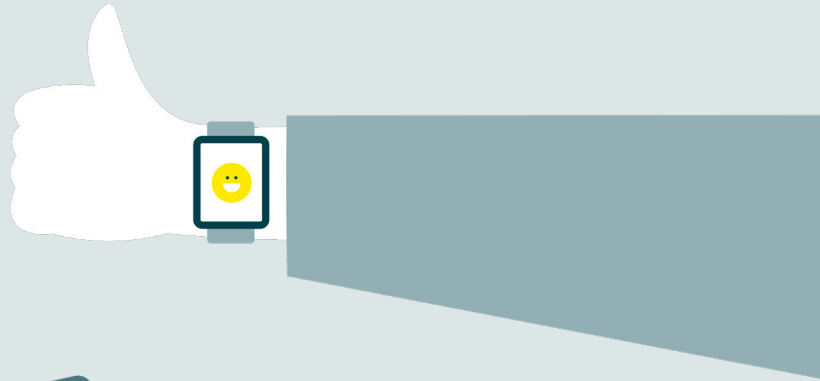


Reconciling care with career

At some point, parents may become old and need help. We offer counselling and support services to employees with relatives in need of care.

Special occasions

In the event of weddings, company anniversaries, relocations or grief in the family, we grant additional leave days in many cases, in some cases in addition to the collectively agreed entitlement.



Pension provision

Similar to Commerzbank, we offer various components of occupational pensions. Our basic cover is based on two pillars:

- automatic insurance via the Insurance Association of the Banking Industry (BVV), which is financed by both employers and employees.
- There is also a direct commitment from the bank. This contribution-based system is financed exclusively by Commerz Real.

In addition, there is the option of addition cover through deferred compensation.

IT leasing

Employees can lease high-quality IT equipment through Commerz Real, such as smartphones or tablets, but also accessories for private use. With IT@home, we transfer the monthly leasing instalments to our contractual partner from the employee's gross salary, thereby enabling our employees to take advantage of tax benefits. After the end of the lease term, it is then possible to purchase the devices.

Employee conditions

As customers, both employees and their dependants benefit from the special conditions for selected products offered by Commerzbank or its cooperation partners. Alongside a refund of fees paid for bank services, we as an employer also support additional asset accumulation in the form of capital-forming benefits of 40 euros per month. We also subsidise our employees' lunches at both our main locations and also support those employees at sites without a cafeteria with a daily allowance.



Talking sustainably with:

Christiane Wolfram and Gerrit Schmidt



Christiane Wolfram
Global Head of People and Culture,
Commerz Real AG

Christiane, what is the meaning behind the systematic focus on sustainability expressed through the key idea of ‘Developing people. Shaping culture.’?

We consciously opted for ‘People and Culture’ as the departmental name, as the emphasis is genuinely on our people and our culture. As an asset manager, we consider our employees to be our most valuable asset. In this spirit, loyalty takes precedence over hiring new staff; we want to continuously develop the people at our company and thus bolster our culture in the long term.

In which specific measures is this reflected?

My colleague Gerrit will be talking about the measures in more detail. In a general sense, I can point out that we always consider the ‘S’ in ESG – i.e. the social and human component – before introducing a new benefit.

What does sustainability mean in your area of responsibility and how does this play out in terms of operational implementation, Gerrit?

Sustainability has many facets within HR and begins during recruitment, where we are specifically on the lookout for employees with a good cultural fit for a long-term employment relationship. We support onboarding with a digital onboarding tool and a standardised ‘welcome day’. And when our employees leave the company, we attach considerable importance to professional offboarding meetings that allow for praise, criticism and suggested improvements.

In addition, there are other measures, of which I am only mentioning a few here: in tandem with universities, we provide financial assistance to twelve students a year through the Deutschlandstipendium scholarship. When selecting new talent, we centre on the person and have significantly

eased rigid grade requirements. With bespoke solutions, we ensure a genuine work-life balance, such as with sabbatical guidelines, location-independent working (including abroad) and the option of choosing between flexitime and trust-based working hours. We also maintain an open and trusting working relationship with our workers’ representation bodies and set great store by their input, even on critical topics. As a consequence, our agreements last the course, and sensible and sustainable compromises are achieved for all sides.



Gerrit Schmidt
Head of People Management,
Commerz Real AG

ESG *has to be* transparent!

Our strategic vision requires the overarching integration of sustainability within the business model and corporate governance. Our goal is clear: by 2030, we will be resilient to the sustainability requirements of the future.

We make sustainability enterprising.



Governance represents the third dimension of ESG and comprises good corporate leadership practices. It includes topics such as the enshrining of sustainability in our corporate culture, morally irreproachable conduct and the upholding of compliance with all applicable regulatory requirements.

Since 2024, we have been measuring our progress annually in the form of a prestigious ESG rating used by companies and investors alike for comparability. To this end, we aim to achieve a rating of at least 'B' in the governance module and 'Prime' status in the ESG rating of the rating agency ISS ESG by 2030.

As such, our ESG management will be elevated to the best possible status³⁷ and will be resilient to the sustainability requirements of the future.

Our current status here is:

- C in Governance & Business Ethics
- no prime status

In order to further improve our results in the future, we will continue to consistently anchor sustainability in our directives. By integrating this into written policy, we are also taking account of the tremendous increase in relevance of the topic on the part of the regulators. This includes the twin perspectives of 'Save the world' and 'Save CR'. The former comprises the sustainability-related risks caused or driven by our operations, whereas the latter centres on those risks affecting our activities and products due to social transformation and changes in the environment. These include, for instance, rising CO₂e prices and the increased prevalence of extreme weather events.

Effective ESG governance requires clear roles, responsibilities and accountabilities at all levels of the company. The uppermost aim is to include environmental, social and governance factors within decision-making processes and to ensure that these factors are duly regarded in all areas of the enterprise. With this in mind, new sustainability-related directives and processes are being published, with existing ones amended.

³⁷ Companies are categorised as 'Prime' if their overall result exceeds an industry-specific benchmark set by ISS ESG. More information can be found [here](#).

Compliance Real.



Compliance is crucial for corporate sustainability, as it ensures that companies adhere to ethical standards and observe statutory regulations. By means of their guidelines, companies can reduce their environmental footprint, take social responsibility and foster good business practices. The identification and immediate minimisation of compliance risks plays a vital role in gaining the trust of clients, investors and society as a whole. All compliance measures lead to stable and responsible business operations.

Code of Conduct.

Our Code of Conduct goes above and beyond legal and regulatory requirements and sets out standards for our employees. It also provides guidance for our service providers and suppliers, who undertake to act with integrity in their dealings with us. With our Code of Conduct, we are also signalling to our clients and investors that we are mindful of our responsibility and work to actively promote integrity. As an integral part of the terms of employment, all new employees of the Commerz Real Group must agree to it. Our Code of Conduct can be found [here](#).

Prevention of money laundering and the financing of terrorism.

One of the core aims of compliance is to satisfy legal and regulatory requirements on the prevention and combating of money laundering and terrorism financing, both of which need to be thwarted in the fight against international terrorism. Here, we act in accordance with the 'know-your-client' principle in order to ensure maximum transparency in respect of business relationships and individual transactions. This includes a precise understanding and verification of our clients and their business processes, with all information handled in confidence.

Sanctions and embargoes.

Compliance ensures that the economic and financial sanctions relevant to us, as well as supplementary regulatory requirements, are observed. The Compliance department also drafts guidelines and directives, informs our various Group departments and subsidiaries about sanctions-related restrictions in business policy, advises on their implementation and monitors their observance. In the event that business relations are conducted in states affected by sanctions, we at Commerz Real monitor these dealings closely and support them with measures that can extend all the way to the termination of business relations.

Fraud prevention.

We take extensive precautions to ensure that clients and employees neither fall prey to nor become involved in fraudulent activity. We also protect our products and processes against misuse. We are emphatically committed to preventive fraud protection across the board and have devised a comprehensive set of measures to prevent, identify and suitably respond to any acts of white-collar crime. Here, our sole aim is to safeguard our clients' assets and protect Commerz Real and Commerzbank. Our top priority is to investigate any suspicious matters and take a zero-tolerance approach to any attempted white-collar illegality without fear or favour. This also means that we welcome any information. Clients, employees and third parties can report any suspicions of fraudulent conduct to us at any time, including anonymously via our whistle-blowing system.

Management of conflicts of interest.

Here at Commerz Real, we operate in various fields of business across the globe and are able to offer our clients a plethora of investment and financing products. If our interests run contrary to those of our clients or suppliers, however, this may give rise to conflicts of interest. In a bid to avoid and/or resolve potential conflicts of interest, we have set up a system for managing such situations; this system makes decisions transparent and traceable, including for independent third-parties, on the basis of a standardised operating procedure and standardised documentation.

Anti-corruption.

Corruption takes many forms and can be found in many different areas. Avoiding and combating corruption is our top priority. Our compliance programme on tackling corruption equips all employees and business partners of Commerz Real with the knowledge they need to prevent financial and reputational damage caused by corruption, fraud, misappropriation, embezzlement, anti-trust activities and money laundering. As such, we ensure that the regulations of applicable anti-corruption legislation are complied with. Preventing corruption in all its forms represents a focal point of our compliance activities and requires responsible conduct on the part of each and every one of us to ensure that our activities do not contravene any applicable legislation, voluntary commitments and/or internal guidelines.

Due regard to environmental and human rights-related risks pursuant to the German Supply Chain Act (LkSG).

We are keenly aware of our corporate responsibility to observe environmental and human rights-related legislation. With this in mind, we are committed to compliance with such legislation – both in our own area of business and along the supply chain – and to helping those affected by environmental and human rights-related violations access support. As part of the Commerzbank Group, Commerz Real is also subject to the Policy Statement published by our parent company. This states that anyone potentially impacted by environmental or human rights-related violations, whether within Commerz Real's area of business or within supply chains, can submit information via the whistle-blower system, both in Germany and abroad.

The Policy Statement of Commerzbank AG can be found [here](#).

Compliance training.

Empowering our employees is an essential part of our compliance management. With compliance training, we ensure clarity about laws, regulations and company policies that apply to their day-to-day professional responsibilities.

At Commerz Real, web-based training courses are carried out that enable all employees to acquire relevant knowledge. Within Commerz Real, the Compliance unit acts as the training owner for the compliance training courses and assesses the training requirements at local level, taking into account the legal and regulatory requirements. The following compliance topics are covered:

- Prevention of money laundering
- Sanctions
- Market compliance (including conflicts of interest)
- Fraud prevention
- Anti-bribery and corruption
- Compliance with the German Supply Chain Act³⁸
- Combating tax evasion assistance

Some of these are divided into 'basic' and 'advanced' training courses and are assigned depending on the level of knowledge required in the respective function. Participation in the training courses is mandatory for all Commerz Real employees.

Managing risk.

A fundamental objective is to enshrine sustainability within our business model. Here, sustainability and its associated risk drivers are considered in active business management. Sustainability factors can influence and play a key role in causing known risk types. As part of regular risk assessment, due regard is paid to sustainability risks connected with physical and transitory climate risks, along with further factors from the area of environment, social and governance (ESG). The spotlight is increasingly being shone on the subject of sustainability through regulatory requirements, consideration of the Principles for Responsible Investments (PRI), the sustainability strategy of Commerz Real and the development of sustainable investment products at our subsidiaries.



For a sustainable reputation.

Our Reputational Risk Management team is charged with identifying, assessing and addressing direct/primary reputational risks to our products, operations and client relations arising from environmental, social and ethical aspects; they do so in systematic processes and propose/initiate suitable measures in order to safeguard and strengthen the good name of Commerz Real. In this regard, it is absolutely vital to weigh up and, where necessary, regulate the sometimes divergent expectations and perceptions of stakeholder groups (especially the general public and the media, employees and clients, private and institutional investors and distribution and other business partners). At the same time, perception of our corporate responsibility and adherence to other existing rules and regulations are essential.

Compliance uses a qualitative approach to manage primary reputational risks. The department sets standards for appropriate risk management, conducts analyses and assessments of risks and ensures that the devised standards are implemented and monitored. Products, operations and client relations in respect of which sustainability aspects play a material role are initially identified and evaluated by first-line-of-defence units, who report them to Compliance if necessary. Compliance then carries out more intensive research and analysis to compile a nuanced evaluation of the reputational risk concerned.

Sustainably secure. Confidently sustainable.

‘Data protection is not merely a technical challenge, but also a key factor in terms of safeguarding our basic rights and fostering a sustainable society. Responsible data handling protects the freedom, safety and privacy of all. As a company, Commerz Real strives to set an impeccable example in this area.’

Julian Wiethoff

Data Protection Officer, Commerz Real AG

The trust of our clients represents one of our most valuable assets, which is why we take the protection of their personal data extremely seriously. Against a backdrop of increasing digitalisation, the protection of client data is exceptionally important and a key pillar in terms of client satisfaction; with this in mind, it is a focal point for us when it comes to handling data responsibly.

Commerz Real complies with data protection regulations, especially the provisions of the EU General Data Protection Regulation (GDPR) and our own Privacy Policy. With cybersecurity and resilience becoming ever more important in light of the increasing digital interconnectivity of government, business and society, we not only pay due regard to our own information, premises and IT systems, but also those of our clients and service providers including any independent transport routes. For us, cybersecurity is not just an IT service and a key driver of trust,

but also a vital competitive factor. As part of the critical infrastructure, the financial sector is governed by stringent statutory provisions. As an additional measure, we have appointed a central Data Protection Officer and Data Protection Coordinators in all departments.

Our Privacy Policy can be found [here](#).

Talking sustainably with:

Carla Tiberi

Why is compliance so essential from a sustainability standpoint?

Compliance with laws and regulations is the prerequisite for acting sustainably. Effective compliance measures also promote values such as transparency, integrity and responsibility. They form the basis for our sustainable success and build trust in our company.

In what areas do you and your team already encounter the topic of sustainability?

The regulators are increasingly focusing on sustainability, with new transparency requirements leading to new challenges. Together with the Sustainability unit of Commerz Real and the wealth of expertise in the Compliance department, however, we are well-positioned for the future.



‘Compliance with laws and regulations is the prerequisite for acting sustainably.’

Carla Tiberi
Global Head of Compliance,
Commerz Real AG

Glossary

Agenda 2030 of the United Nations comprises 17 interconnected Sustainable Development Goals (SDGs), which were set in 2015 by the United Nations for attainment by 2030.

ESG: the customary term for sustainability in the finance sector: E = environment, S = social/human rights and G = governance, with all three accorded equal importance as assessment and management criteria.

EU Taxonomy: definition developed by the EU for sustainable finance products as part of the overarching European Green Deal, a European Union initiative that seeks to make Europe the first climate-neutral continent by 2050.

Key biodiversity area (KBA): KBAs are geographical areas that contain a particularly high number of endangered species or ecosystems and which are important for the conservation of these species or ecosystems. The criteria for determining KBAs are set out in a global standard drawn up by the International Union for the Conservation of Nature (IUCN).

Climate neutrality: Commerz Real defines climate neutrality as follows: Climate neutrality is achieved once an organisation fully offsets its greenhouse gas emissions. This full offsetting is ensured through the purchasing of CO₂ certificates (carbon offsetting). CO₂ certificates relate to climate protection projects that aim to avoid CO₂ emissions as well as remove CO₂ from the atmosphere.

Green lease: In the German market, this is a lease agreement aimed at sustainability. Due to its special design, which may be supplemented by the requirements of an existing certification on the property, it incentivises both the tenant to use the property and the landlord to manage the property as sustainably as possible. A green lease contains at least one provision for the sustainable use and management of the leased property in ongoing operation, the reduction of waste, consumption and emissions as well as environmentally safe implementation of maintenance, modernisation and other construction measures. More information can be found in the ZIA handouts.

Net zero: a situation in which an organisation has no net greenhouse gas emissions after having taken all necessary technical and scientific measures to reduce its greenhouse gas footprint. Unavoidable emissions (see also 'Residual emissions') may only be offset by means of CO₂ removal projects ('Net Zero Guidelines', published by the International Organization for Standardization (ISO) at the 2022 UN Climate Conference).

Ecosystem services: these are services provided by nature for humans and their economic activities. One example at Commerz Real is the regulation of the climate, which enables properties and energy facilities to operate in a relatively stable climate environment, in which there is also protection against extreme weather, for example from landslides with the help of forestry.

Residual emissions: residual greenhouse gas emissions caused by the organisation after all technical and scientific efforts to reduce greenhouse gas emissions have been taken (see ISO 2022, IWA 42:2022(E), Chapter 3.2.9).

SDGs: Sustainable Development Goals, 17 goals for sustainable development set by the UN as part of its Agenda 2030; the time frame for attainment is by 2030.

Legal notice

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