

AUGUST 2024

# ESG *has to be* a team effort!

The Current ESG Framework  
for our Sustainability Strategy



COMMERZ REAL



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# 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 activity. All sectors and the infrastructures supporting them are facing dramatic upheaval. As we are an asset manager for property and renewables, some of this is in our ownership. As such, we bear substantial responsibility for finding real and sustainable solutions for current issues.

*We are pioneers  
and drivers of*

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

We regard our vision as a motivation, obligation and promise. It reminds us that our business operations 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 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 find out 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 meet these myriad goals:

**ESG***eht*  
**nur gemeinsam!**

**Dr Nicole Arnold**

Member of the  
Management Board

**Dirk Schuster**

Member of the  
Management Board

**Christian Horf**

Member of the  
Management Board

**Henning Koch**

Chief Executive Officer





# ESG *goes to* the next level!

We have split this Framework into three main chapters based on the ESG dimensions. In a 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 the sustainability and ESG targets 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 commitment 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 provide our clients

with innovative solutions that contribute not only to transforming building stocks, but also to the expansion of renewable energies. Our leasing solutions also actively help entrepreneurs and corporate clients to make their own 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 Framework lays the strategic basis for sustainable alignment and transformation.







*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. We will also be reporting transparently on the progress

made in achieving our overarching sustainability targets, such as the annual development of our CO<sub>2</sub> emissions.<sup>1</sup>

To understand how the content of this Framework affects the sustainability-related targets for our products, please refer to the corresponding ESG strategies of our respective subsidiaries.<sup>2</sup>

<sup>1</sup> This refers to 'CO<sub>2</sub> equivalents', which also include other greenhouse gases such as methane (CH<sub>4</sub>), laughing gas (N<sub>2</sub>O) and hydrofluorocarbons (HFCs) in addition to carbon dioxide (CO<sub>2</sub>). For the sake of improved readability, this document only uses the term 'CO<sub>2</sub>'.

<sup>2</sup> Commerz Real Investmentgesellschaft mbH, Commerz Real Kapitalverwaltungsgesellschaft mbH, Commerz Real Fund Management S.à r.l., Commerz Real Mobilienleasing GmbH.



# A fresh start. More focus.



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. One challenge lay in delineating the targets in a way that lent us strategic focus and allowed us to pool resources.

In 2023, we started completely afresh – a step that was marked by the setting up of a central department for strategic sustainability issues. The Centre of Competence Sustainable Transformation & Strategy (hereinafter referred to as ‘CoC STS’) is responsible for taking the sustainability strategy forward and comprehensively incorporating it within 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 CEO 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.

# Building more value.

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 CO<sub>2</sub>-intensive processes**
- **Expanding climate-friendly innovations**
- **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 the 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.



## 0 kg CO<sub>2</sub>

We are gearing our operations towards net zero and will achieve a climate-neutral supplier portfolio by 2040.

## 0 kg CO<sub>2</sub>

We will gear the investment and financing portfolio to net zero by 2050 at the latest.



## 0 people left behind

As part of our social engagement, we will increase our useful value to our district partners by 20% by 2030.

## 0 excuses

By 2030, we will be resilient to the sustainability requirements of the future.



*Talking sustainability 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**  
Head of Sustainable Transformation and Strategy,  
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* climate-conscious!

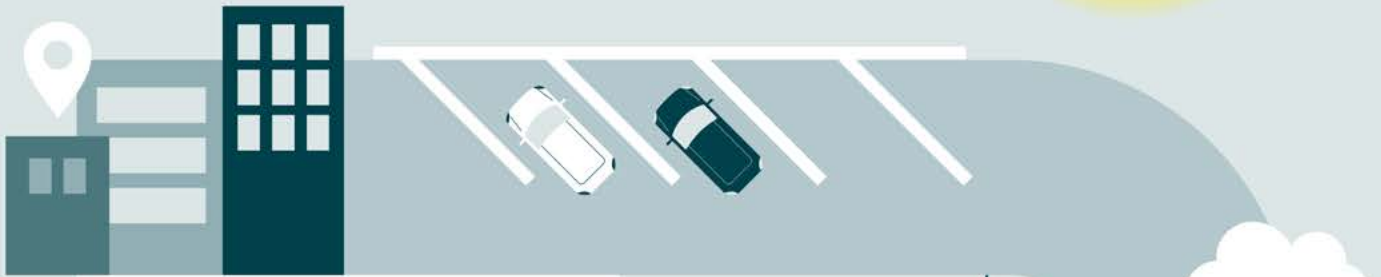
Here at Commerz Real, we are committed to the Paris Agreement and Agenda 2030. We are therefore spearheading the transformation to greater sustainability and accelerating a reduction in our greenhouse gases in order to meet one of our overarching goals: net zero at the company and a climate-neutral supplier portfolio by 2040.



# It's all about the strategic journey.

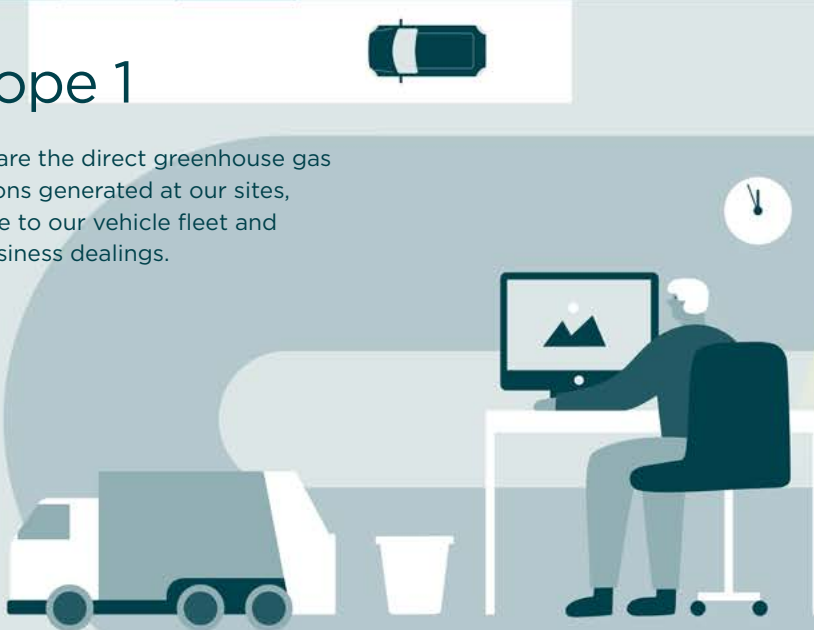
Here at Commerz Real, we are committed to reducing emissions from our operations to net zero by 2040. We will be doing so on the basis of our greenhouse gas footprint in accordance with the Greenhouse Gas Protocol, which we have been calculating for the Commerz Real Group every year since 2021. We currently record our operational emissions across the following scopes:

*By 2040*  
net zero



## Scope 1

These are the direct greenhouse gas emissions generated at our sites, e.g. due to our vehicle fleet and our business dealings.



## Scope 2

This category includes all emissions that are attributable to our business operations, but that have actually been released upstream, e.g. the energy required to generate the electricity that we consume.



## Scope 3

This relates to the emissions generated across the entire value chain, such as those connected with the commuting of our employees, the manufacture of paper for our printed materials and the disposal of waste.





*Our net zero promise*

We generally calculate emissions on the basis of their intensity per employee per annum. This allows us to even out any fluctuations caused by an increase or decrease in our headcount. The following two charts provide a summary.

Our net zero promise is based on this data. The following chapter, which is concerned with the company's environmental management, sets out the measures we will take to achieve our targets.

Figure 1  
CO<sub>2</sub> intensity in kg CO<sub>2</sub> per employee of the Commerz Real Group

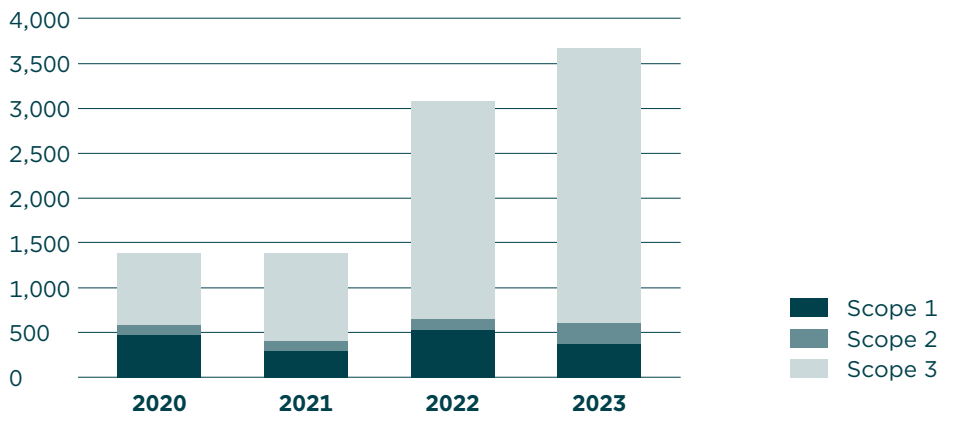


Figure 1 clearly indicates the main focus of Scope 3 emissions generated across the value chain. These have risen sharply in the wake of the pandemic due to increased mobility in terms of commuting and business travel.

Figure 2  
CO<sub>2</sub> emissions of the Commerz Real Group by category<sup>3</sup>

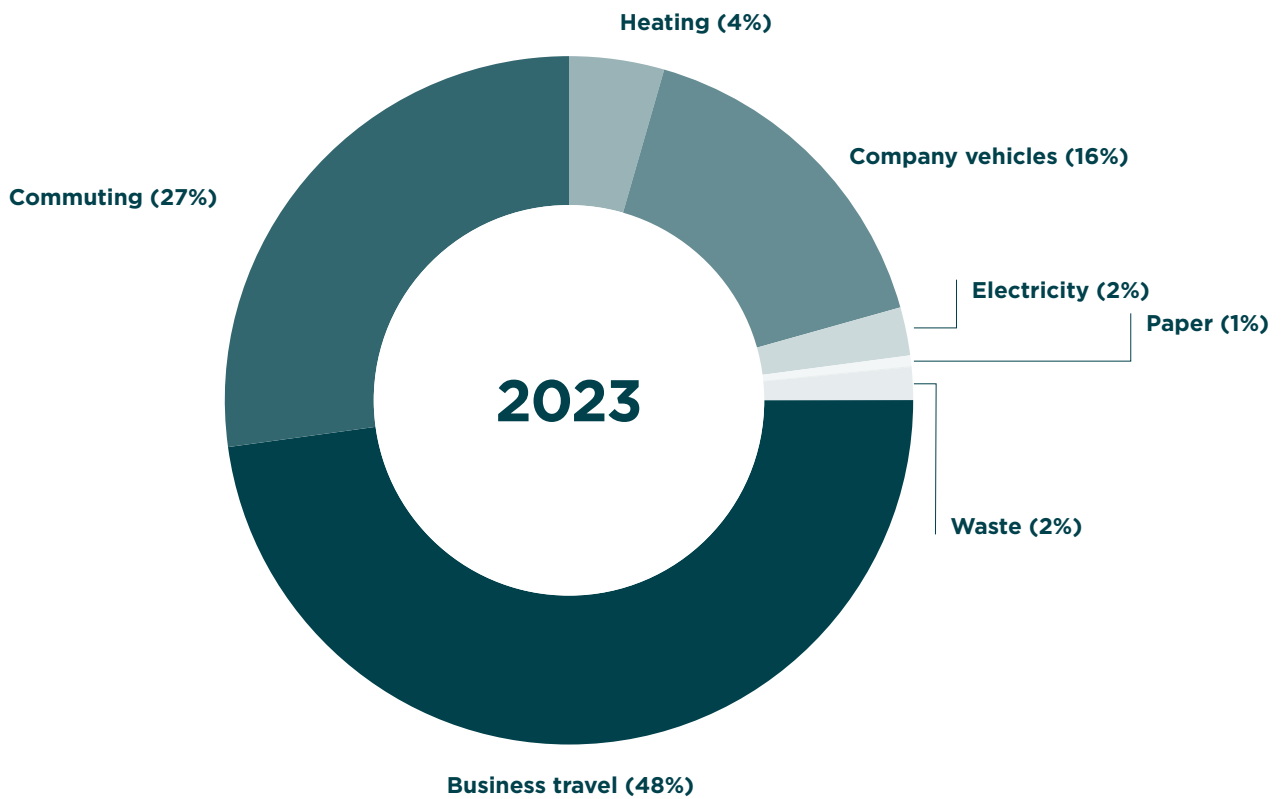


Figure 2 illustrates the areas in which we produce the highest percentage share of emissions and where we need to focus our reduction efforts.

# For a climate-neutral operating and supplier portfolio.



Click here to find out more about how we promote achievement of the SDGs.



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. Only when consumption rates are measured in a meticulous and standardised way at all times can changes over the years be reliably identified. A key success factor in this regard is consistently high data quality in terms of both scope and accuracy.

This data serves to underpin the planning of our environmental management. Once a year, the organisational department – in consultation with the central sustainability team – develops energy efficiency and energy-saving measures encompassing all key consumption categories. Here, measures have already been implemented to reduce the company's electricity and heating consumption and the emissions attributable to our vehicle fleet, e.g. by procuring green electricity at our two main locations and by gradually switching our company cars to EVs.





# Next stop: mobility.



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. We therefore 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.

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.

## Electrifying company vehicles



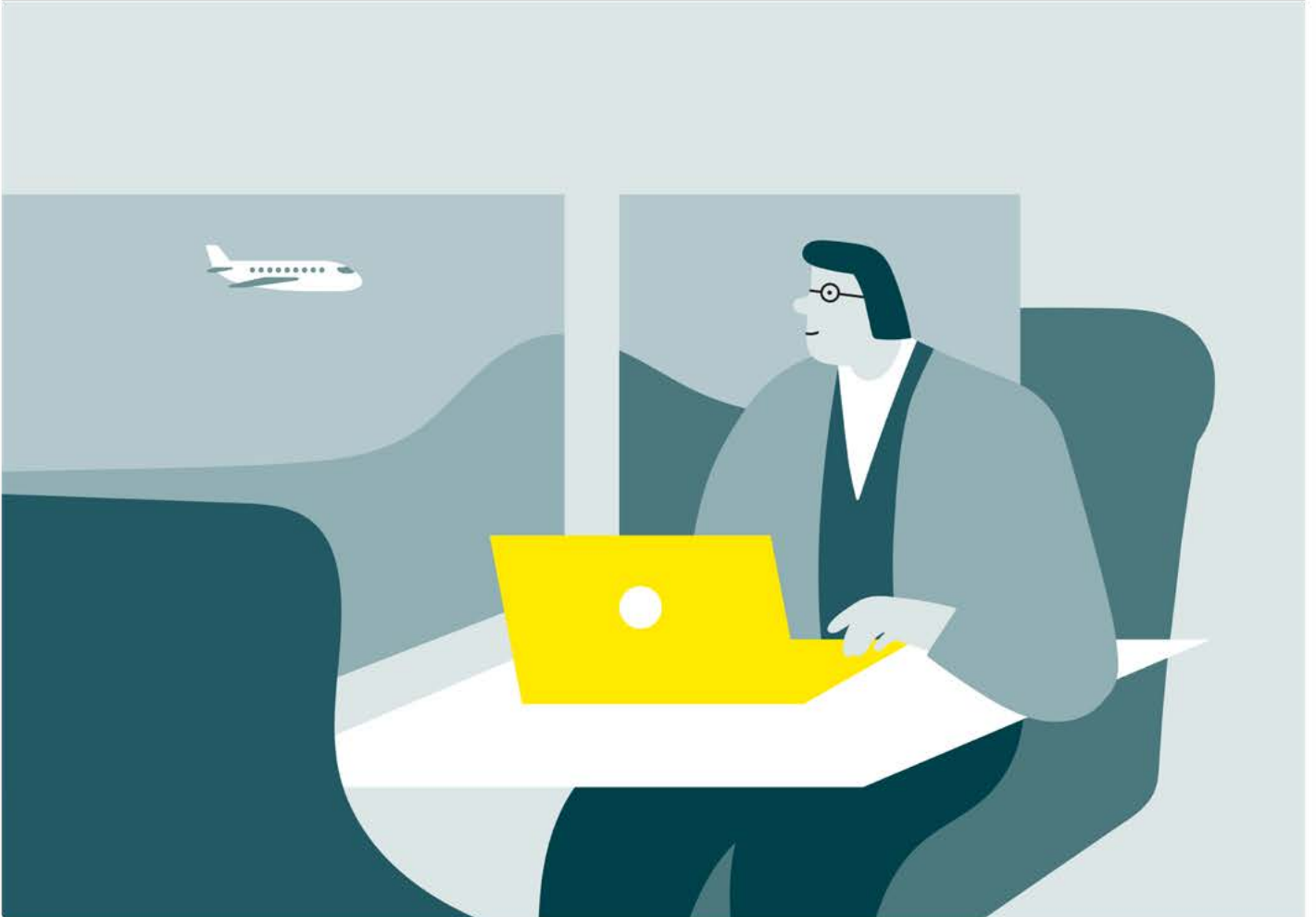
But we are not leaving our employees in the lurch. We have installed 37<sup>4</sup> charging points – with more to come – at our main locations in Wiesbaden and Düsseldorf. At the same time, we are gradually changing our pool vehicles over to EVs. And thanks to 100% green power, we are also facilitating climate-friendly usage of these EVs. The entire fleet is scheduled to have been electrified by 2027.



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. With this step, we are paving the way for a mobility transition at Commerz Real.



## Travelling with the climate in mind



We recognised at an early stage that business travel has a considerable influence on our CO<sub>2</sub> 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 lockstep 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. All suppliers and service providers that engage in business dealings with Commerz Real ensure compliance with the specific social requirements in this Code of Conduct and, by the same token, make adherence to the corresponding provisions a requirement of their own service providers and suppliers. Breaches of the sustainable procurement standard on the part of a supplier/service provider can lead to a range of responses, up to and including the termination of business relations.

Talking sustainability 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 CO<sub>2</sub> 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 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 a 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 approx. 40 vehicles. Based on company vehicles (excluding leased cars), this means that roughly 30% of the fleet is fully electric and a further 45% partially electric, i.e. hybrid vehicles. As a result, we have already travelled one million kilometres on electricity and will be modernising the remaining vehicles in the years ahead. Once the changeover is complete, approx. 450,000 fewer litres of fuel will be consumed.

# 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.



Click here to find out more about how we promote achievement of the SDGs.



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 ambitious 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-Hochfeld<sup>5</sup>

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 breadline, 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 approx. 12%, as is the share of people leaving school without any qualifications or an apprenticeship.



## Düsseldorf Flingern-Süd<sup>6</sup>

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.

<sup>5</sup> Descriptions of the district's social issues are based on statistics from the city of Wiesbaden's **2019 social space analysis (in German)**.

<sup>6</sup> Descriptions of the district's social issues are based on statistics from the city of Düsseldorf's **2017 breakdown of social space (in German)**.

# Objectives and measuring impact.



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 analysis in the districts every two years.<sup>7</sup> ‘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.

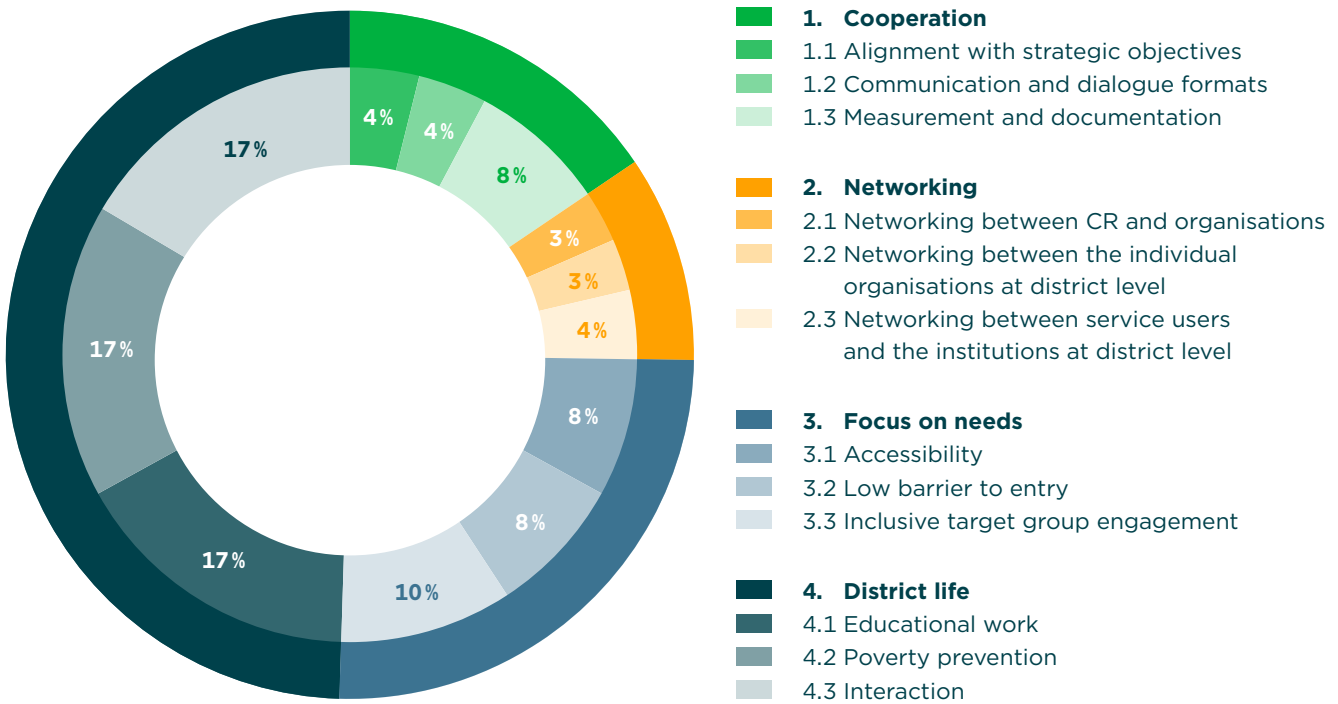
*Our strategic goal  
in this area:*

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

(base year = 2024)

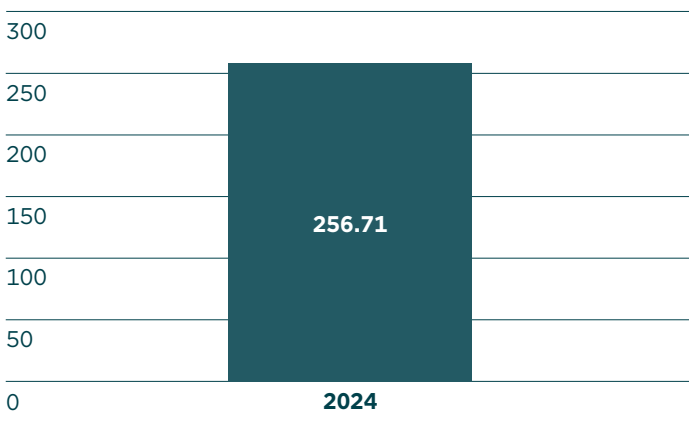


Figure 1  
**Weighting in percentage terms**



**Figure 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.

Figure 2  
**Social utility value**



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

*Talking sustainability 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 significance 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



**Commerz Real Social Day 2022**  
with Little Homes in Wiesbaden.



**Commerz Real Social Day 2022**  
with Little Homes in Düsseldorf.

### Monetary donations

Generally speaking, monthly payslips do not show a round figure. As a result, every employee of Commerz Real and Commerzbank has the option of donating everything after the decimal point, i.e. the amounts between one and 99 cents, on a monthly basis. What starts as a small amount for the individual soon grows into a substantial sum thanks to our **‘spare change’** programme, where the cent amounts are multiplied by the number of participating colleagues. Over a one-year period, it is therefore possible to accumulate an amount that makes a big difference for a good cause. The deducted donations are collected in a special fiduciary account and are passed on annually to projects run by our local partners in Wiesbaden Erbenheim-Hochfeld and Düsseldorf Flingern-Süd.

Our **impact challenges** also allow us to contribute financial support to social projects in the districts. Here, employees take on a host of challenges that not only foster sustainable actions, but also day-to-day mindfulness and responsibility. In this way, they can earn points with small gestures during their work or, for example, by not coming to work by car, with the points added up at the end of the year. As the points target has always been met in recent years, the corresponding donations have financed great projects such as the construction of a container workshop for cycle repairs and a new kitchen in the community centre of our social partner organisation Caritas. For the next round of impact challenges in 2024, the plan is to enable climate camps run by the non-profit organisation Hope4School.<sup>8</sup> This format teaches children from schools in our

partner districts about the various issues connected with climate change in an engaging way. In addition to imparting knowledge, the programme also focuses on specific measures and skills that bring climate protection to life in the children’s everyday routines.

In recent years, we have also donated to myriad stakeholder groups, charitable organisations and directly to people in need in disaster zones. Despite the channelling of our charitable activities into our two districts, we will continue to make further such donations in acute situations, such as natural disasters, in the future.



<sup>8</sup> More information about Hope4School can be found [here](#).

**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 more than 100 employees and thousands of individual actions in aid of a good cause. In tandem with social partner organisations, we use our working hours to lend a hand where it is needed most. In 2023, multiple social institutions, where there is a high need for social support, were aided as part of our district social partnerships in Wiesbaden and Düsseldorf. In the Flingern-Süd district of Düsseldorf, for instance, we provided hands-on assistance in a community garden, a nursery school and a home for refugees. We also undertook gardening, cleanup work and cleaning assignments in order to make a small contribution to social cohesion through working together. In the Erbenheim-Hochfeld area of Wiesbaden, we helped improve the attractiveness of an urgently needed community space by painting and decorating, tidying and putting in raised flower beds. Here, the opportunity for residents to get together played a particularly important role in dispelling prejudices and fostering improved social cohesion between people of different cultural identities in the district.

**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, e.g. 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.



**Commerz Real Social Day 2023**  
at Diakonie Düsseldorf Flingern-Süd in Düsseldorf.



**Commerz Real Social Day 2023**  
at Caritas Wiesbaden Erbenheim-Hochfeld in Wiesbaden.

# Ample scope for sustainability.



Click here to find out more about how we promote achievement of the SDGs.



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, thus enabling the transformation to 'People & Culture', 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 CoC STS, the People & Culture division focuses on this and other issues.

# For a positive working atmosphere.



*Good Leadership.  
Good feedback.*

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, dedicated rooms for video calls, interactions and relaxation, for example, are also being created.


# 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, e.g. 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 required for their day-to-day business, employees can devote twelve working hours per quarter to learning about content that interests and excites them.

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, whereas the optional development review is designed to deliver clarity and transparency in terms of what is expected of the employee. However, we do not regard feedback as a one-way street. As part of the third component – FeedForward – our executives receive a comprehensive assessment of their leadership style from their teams.

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. Every single contribution makes a difference and has an impact: both in its own right and for Commerz Real, investors, tenants and clients, climate protection overall and thus on our company's ecological footprint. It was in this spirit that we launched this basic training course entitled 'Basic Knowledge of ESG', which covers current knowledge and brings everyone up to date with the sustainability practices and standards of our divisions. 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.

# Additional benefits.

In order to foster the dedication of our employees in a way that goes beyond remuneration, we offer an extensive range of additional benefits that we regularly review, tailor to our employees' needs and expand.

## Flexibility

Alongside professional development, we are also committed to work-life balance. This includes offers tailored to different phases of life, such as flexible working time models, sabbaticals and easing the transition back to work following parental leave. We also offer advisory and support services in the area of childcare and for employees with relatives in need of care. We support employees in respect of specific personal circumstances with paid leave, as does Commerzbank. In many cases, we offer additional holiday allowance for weddings, anniversaries of long service, moving house and bereavement, even going above and beyond the entitlement under collective bargaining agreements.

## Location-independent working

In addition to working from home, the surge in mobile working models is driving the trend towards places further afield. We offer our employees the opportunity of up to 20 days of mobile working in EU countries, complete with renewed inspiration and motivation.

## Pension provision

To enable our employees to plan for their retirement in the best possible way at an early stage, we offer various occupational pension components as part of the Commerzbank Group. The basic pension scheme forms the foundation and builds on two key pillars; automatic coverage through the BVV and the defined-benefit scheme. The BVV provides a comprehensive old-age, invalidity and dependants' pension, with Commerz Real and the employee sharing the monthly contributions payable to the BVV. Moreover, all employees are entitled to join the direct-benefit scheme. Depending on when the employee has joined the company, they will either be eligible for the Commerzbank's capital pension plan (CKA) or its modular pension plan (CBA). Both plans represent defined-contribution systems and are financed solely by Commerz Real, meaning that no contributions are required by the employee. In addition to the basic pension plan, we also offer employees the option of personal pension provision.

## 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 over a term of 24 months.

## 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. Employees can pay this amount individually into an existing contract or contribute it to a new contract and thus benefit from the bank's employee conditions. We also support the lunchtime catering of our employees at both our main locations and do so through a working-day allowance at sites without a cafeteria.

*Talking sustainability 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.



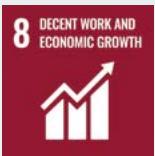
**Gerrit Schmidt**  
Head of People Management,  
Commerz Real AG



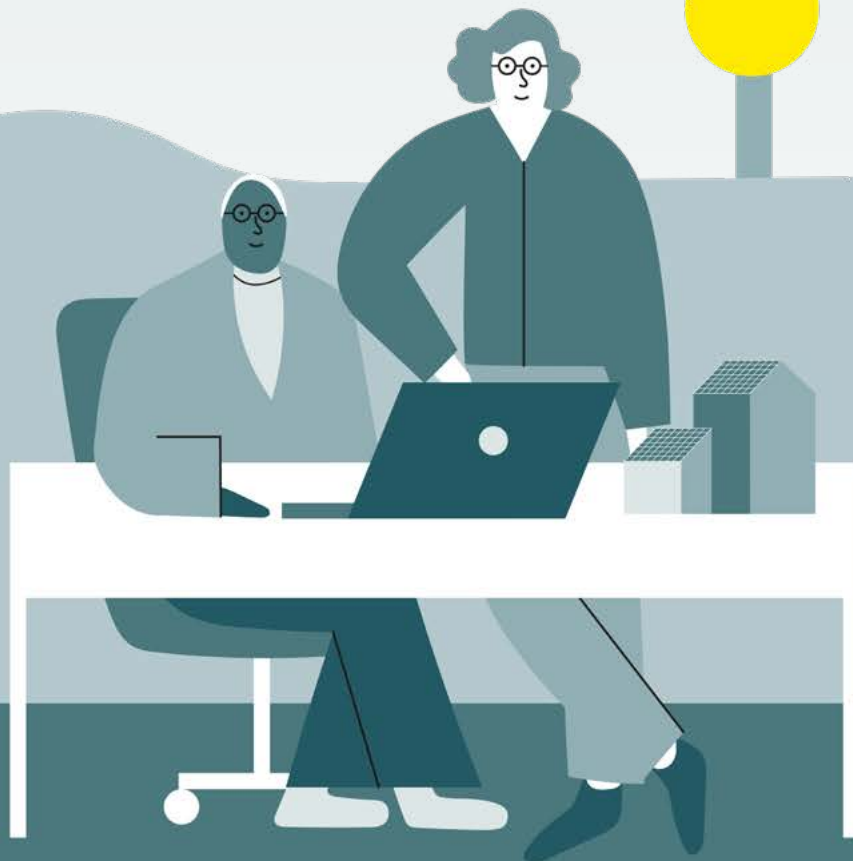
# ESG *has to be* transparent!

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.



Click here to find out more about how we promote achievement of the SDGs.



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 requirements.

From 2024, we will be subjecting our progress to measurement in the form of a prestigious ESG rating used by companies and investors alike for comparability.

*Our strategic goal  
in this area:*

**By 2030, we will be resilient to the sustainability requirements of the future.**

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.<sup>9</sup>

As such, our ESG management will be elevated to the best possible status and take its place among the frontrunners who are resilient to the sustainability requirements of the future.

It includes the twin perspectives of 'Save the world' and 'Save CR'. The former comprises the sustainability-related risks that our operations cause or foster, 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 CO<sub>2</sub> prices and the increased prevalence of extreme weather events.

With a view to counteracting manageable risks in the best possible way, we continue to systematically incorporate sustainability within our corporate directives. By integrating the topic into our written rules and regulations, we are doing justice to the huge increase in importance of the subject on the part of regulators.

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 are being published, with existing ones amended.

<sup>9</sup> The ISS ESG rating assesses the ESG alignment of companies using an absolute-best-in-class principle. Companies are categorised as 'Prime' if their overall result exceeds an industry-specific benchmark set by ISS. More information on the methodology 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 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. 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 solutions. 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](#).

# 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/or 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. Sure to be 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 extended 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 sustainability 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, the Compliance department aims to pave the way for Commerz Real to establish a consistent sustainability strategy, taking care of any obstacles before they become pitfalls.



‘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.

**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 CO<sub>2</sub> certificates (carbon offsetting). CO<sub>2</sub> certificates relate to climate protection

**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. projects designed to prevent and remove carbon emissions.

**Net zero:** a situation in which an organisation has no net greenhouse gas emissions after having taken all possible technical and scientific measures to reduce its greenhouse gas footprint. Unavoidable emissions (see also 'Residual emissions') may only be offset by means of CO<sub>2</sub> removal projects ('Net Zero Guidelines', published by the International Organization for Standardization (ISO) at the 2022 UN Climate Conference).

**Residual emissions:** any remaining emissions caused by an organisation following all possible technical and scientific endeavours to reduce its greenhouse gas footprint. (cf. 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.

# Masthead

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**COMMERZ REAL** 