

Commerzbank AG

Sustainability Management & Investor Relations

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Investor letter on climate change and biodiversity

Dear Mrs. Martin,

We appreciate ShareAction having considered Commerzbank in the investors' letter from 5 July. We acknowledged and discussed your points made in the letter. We understand their relevance with regard to our sustainability strategy, however, we believe that your claims are above market expectations. Nevertheless, strengthening our climate and biodiversity ambitions is very important to us. So, wherever we see room for improvement, we will address it.

We are currently working hard to advance our "Strategy 2024", prepare for the ECB stress test and align our portfolios with the Net-Zero Banking Alliance (NZBA), of which we have been a member since April this year. But as you are undoubtedly aware: these issues take time. The framework of NZBA gives us 18 months to develop our targets. Please rest assured that we are working with high priority to identify ambitious but realistic targets, which will be officially disclosed until August 2022. Regarding your first four requirements, we are already able to deliver details and information. However, we kindly ask you for some more patience until we have published our inaugural Task Force on Climate-related Financial Disclosures (TCFD) Report for the fiscal year 2021.

Regarding your fifth requirement on biodiversity, a materiality assessment is currently being run in order to determine the relevance for us as a bank in terms of other environment, social and governance (ESG) criteria and to identify fields in which we can make a positive contribution. We are fully aware of the relevance of the topic on several levels (e.g. EU). Additionally, we have already implemented exclusionary criteria, e.g. for project financing of Mountain Top Removal (MTR) processes, financing of new coal mines or new coal-fired power plants, project financing related to the exploitation of oil-bearing tar sands or comparable controversial processes, Arctic Drilling, financing of palm oil-related companies and many others, applicable to any Commerzbank product, business or customer relationship. Commerzbank also generally reviews products, businesses, and customer relationships with regard to the violation of human rights and the concerns of indigenous peoples. All these measures are indirectly and directly feeding into your fifth condition.


Concerning the requirements on several policies we would like to state that we are currently developing a new Fuel Policy which will replace our existing Coal Policy and which will become effective January 2022.

The climate-related topics mentioned in your letter were discussed with all relevant and associated departments and executives. In these discussions, we have specified how to further implement the process into our current ESG agenda. All this took a while, so please accept our apologies for the delay in responding to your letter. The next steps are the following: we will further work on our sustainability strategy, we will regularly submit evidence of concrete developments related to our ESG targets, and we will verify our commitments on an ongoing basis.

We will provide you with more details as soon as possible.

In the meantime, we look forward to further interactions with you. Please do not hesitate to contact us if you have any questions.

Kind regards,


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