Responsible Banking Progress Statement

Hamburg Commercial Bank **2025**

Hamburg Commercial Bank

United Nations Principles for Responsible Banking

The Principles for Responsible Banking (PRB) constitute an overarching framework for ensuring that signatory banks' strategies and practices are aligned with the vision society has set out for its future with the Sustainable Development Goals and the Paris Climate Agreement and its aim to reach net zero in 2050. Over 350 banks globally have signed the Principles.

As a signatory of the PRB since September 22, 2020, Hamburg Commercial Bank AG is committed to these two predominant pillars in regard to ESG alignment. In the reporting year, the Bank continued its progress in implementing the principles. This is the sixth self-assessment report on HCOB's implementation of the principles and outlines the steps taken and the progress made in the year 2025. The previous UN PRB Self-Assessments can be found on HCOB's website.

On the basis of the Reporting and Self-Assessment Template of the UNEP FI Initiative, the Bank provides an overview of the continuation of its implementation journey below. HCOB's work has been carried out in accordance with the requirements laid out in the Implementation Guidance for the PRB. The limited assurance on the reporting of the PRB has been conducted in accordance with the Assurance Guidance, issued by UNEP FI. The limited assurance has been granted by a Big Four accounting firm.

Contact

Hamburg Commercial Bank AG
Gerhart-Hauptmann-Platz 50
20079 Hamburg,
Phone: +49.40.3333.0
E-Mail: info@hcob-bank.com
www.hcob-bank.com

Principle 1: Alignment

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients expertise in the financing of different business segments.

HCOB aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored the bank's own Sustainability Framework as highest sustainability strategy document which is a core part of the business strategy and the sustainability governance. HCOB's sustainability framework is based on the key messages of the Paris Climate Agreement and the 17 Sustainable Development Goals (SDGs) as well as the UN Global Compact and build the basis for further policies and actions the bank has derived from it. Additionally, HCOB considers in its ESG management national and international climate regulations e.g., the EU Green Deal, and adheres to the requirements of the banking supervisory authorities. The operationalization of these requirements are continuously evaluated, making them an integral part of its decision-making processes. For more information on HCOB's business model and strategy as well as it's sustainability strategy please see ESRS 2 SBM-1. In addition, HCOB has been carrying out a risk management process, which also takes sustainability aspects into account (for more information, see E1 IRO-1).

See Annual Report 2025, Combined Management Report, chapter “Sustainability Statement”:

- Business model and strategy: ESRS 2 SBM-1
- Risk management: E1 IRO-1

Principle 2: Impact & Target Setting

In the reporting year HCOB conducted a double materiality analysis in accordance to the ESRS requirements (ESRS2 IRO-1) to identify which impact, risks and opportunities the bank faces. Where material impacts, risks, or opportunities were identified, HCOB addresses them through targeted measures. As HCOB acknowledges that its main impact is driven on portfolio level by its business activities, HCOB is continuously assessing its portfolio's impacts by analyzing and evaluating all new business against environmental, social and governance (ESG) aspects. Actions in this regard comprehend of e.g., the ESG embedded credit and investments process (see E1-3 and document "ESG in the credit- and investment process").

The previously identified Bank's significant impact areas in context of the PRB requirements were confirmed by the double materiality analysis as well as it's prioritization over other identified positive and negative impacts. The specific challenges and priorities in this regard are described under ESRS 2 SBM-3.

The first impact area identified is climate change mitigation – the reduction of global greenhouse gas emissions to limit global warming to a maximum of 1.5 °C in line with the Paris Climate Agreement. In 2025, the bank has further developed its decarbonization targets for Shipping, Real Estate and Energy (power production) addressing this impact area. These targets - as part of the bank's transition plan - now cover besides short-term time horizons also mid- and long-term including the years 2030 and 2050.

The second impact area identified is climate change adaptation – measures to cope with existing and expected climatic changes. For climate change adaptation the bank has defined specific measures, especially the assessment of physical risks. Each new business is reviewed by the relationship managers using insurance data to assess physical risks like storms, floods or earthquakes. This is done for the real estate and renewable energy portfolios. If significant physical risks are detected, mitigating factors like insurance or structural measures (e.g. floodgates) need to be presented.

The respective targets, measures and baseline years and amounts in this context can be found in ESRS E1-3 and E1-4.

See Annual Report 2025, Combined Management Report, chapter "Sustainability Statement":
- Impact analysis (materiality): ESRS2 IRO-1, SBM-3
- Transition plan (climate-related): E1-1
- Climate change related strategies and frameworks: E1-2
- Targets (climate-related): E1-4
- Actions (climate related): E1-3 and document ESG in the credit- and investment process
- Information on Biodiversity: E4
- Information on human rights impacts: S1 and S2

Principle 3: Clients & Customers

HCOB's day-to-day business decisions and interactions with clients and customers are guided by principles and policies set out in various frameworks such as our Code of Conduct, Sustainability Framework and Guiding Principles. HCOB also has ESG aspects fully embedded in its credit and investment process – including the Compliance Assessment and Sector Restrictions Check, the ESG Scoring and the Sustainable & Transformational Finance Framework Classification. The Compliance Assessment and Sector Restrictions Check states that no business will be conducted with companies that violate human dignity, human rights, or any other global norms in general. Additionally, the ESG Scoring evaluates – besides E and G criteria – the S criteria of customers to ensure their social responsibility and compliance with social standards.

HCOB evaluates every new business in accordance with its Sustainable and Transformational Finance Framework (STFF) and classifies it into "sustainable", "transformational" or "other". The classification enables the Bank to monitor the achievement of a certain share of "sustainable" and "transformational" transactions within its new business activities. The bank particularly wants to safeguard its revenues by establishing a future oriented, stable cash flow generating portfolio within an adequate risk/return profile, that is in line with the changing market environment thus avoiding the risk of stranded assets.

In addition, HCOB continues to develop the skills of its relationship managers by offering specific trainings to enable them to engage with clients, particularly regarding the impact associated with their activities and strengthen the strategic dialogue with clients on the topic of sustainability.

As part of the Compliance function, HCOB has implemented a centralized whistleblowing system where clients, employees, suppliers or other stakeholder can raise potential concerns including those against human rights.

See Annual Report 2025, Combined Management Report, chapter "Sustainability Statement":
Interaction with clients & customers: ESRS 2 SBM-2

- Sustainable and Transformational Finance Framework: E1-3
- ESG Scoring: E1-3
- Whistleblower System: S2-3

Principle 4: Stakeholders

One of the core elements of the Bank's sustainability work is regular and active stakeholder engagement. With a stakeholder analysis which has been validated again in the reporting period, HCOB identified its clients, investors, the Management Board, owners and employees, as well as supervisory authorities, the public, rating agencies, media representatives, NGOs, associations, service providers and nature as the Bank's stakeholder groups. The Bank maintains an active and continuous dialogue with its stakeholders and responds to different interest groups with various stakeholder-specific dialogue formats as described in detail in ESRS 2 SBM-2. The results of the dialogue are incorporated into the Bank's daily sustainability work and the further development of its sustainability strategy.

See Annual Report 2025, Combined Management Report, chapter "Sustainability Statement":
- HCOB's Stakeholders: ESRS 2 SBM-2

Principle 5: Governance & Culture

A structured sustainability governance forms the basis for the Bank's sustainability work. Therefore, HCOB implemented a governance structure, which is in line with the overall corporate governance structure. The Management Board is responsible for the topic of sustainability and the "Sales Management & ESG" department steers the topic on a day-to-day basis. The continuous implementation of the Principles is reported to the CIO and CRO/ Management Board in the Sustainability Committee e.g., the development of the transition plan and decarbonization targets. For further information on the bank's governance structure please see ESRS 2 GOV-2.

Information on ESG related Management Board remuneration can be found in ESRS 2 GOV-3. For details on HCOB's internal culture of responsible banking and employee awareness on ESG topics, including ESG-related training, please refer to S1-4.

See Annual Report 2025, Combined Management Report, chapter "Sustainability Statement":

– Governance structure: ESRS 2 GOV-2
– ESG linked remuneration: ESRS 2 GOV-3
– Internal culture: S1-4

Principle 6: Transparency & Accountability

Limited assurance on this PRB disclosure has been granted by a Big Four accounting firm.