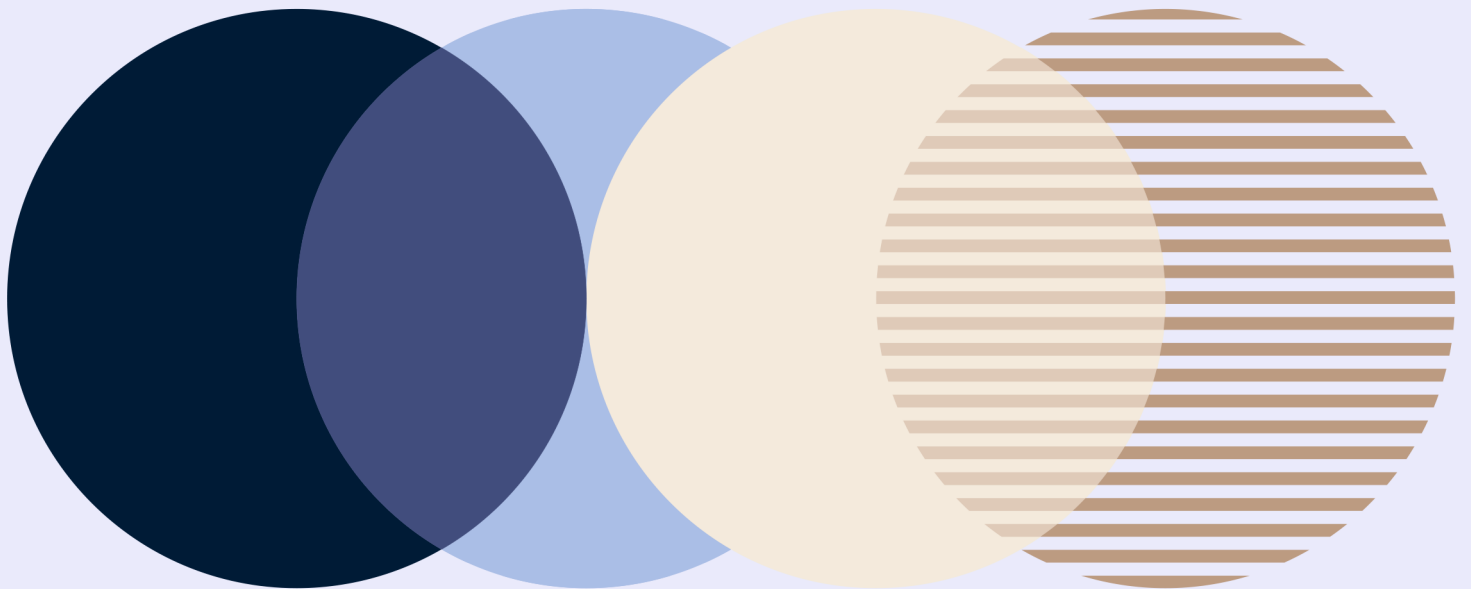


Responsible Banking Progress Statement

Hamburg Commercial Bank 2024



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 345 banks globally have signed up to 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 fifth self-assessment report on HCOB's implementation of the principles and reports over the steps taken and the progress made in the year 2024. The previous UN PRB Self-Assessments can be found on HCOB's website as part of HCOB's previous Sustainability Reports.

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 and limited assurance on Principles reporting 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.

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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. The operationalisation 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 its 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 2024, 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. 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 analysing and evaluating all new business against environmental, social and governance aspects. Actions in this regard comprehend of e.g. the four steps of 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 (areas climate change mitigation and climate change adaptation) were confirmed by the double materiality analysis as well as its prioritisation over other identified positive and negative impacts. The specific challenges and priorities in this regard are described under ESRS 2 SBM-3. Mid-2024, the bank has set itself specific decarbonization targets for its most carbon-intensive sectors in the context of its Pillar 3 disclosure report addressing the impact area climate change mitigation. For climate change adaptation the bank has defined specific measures. 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 2024, Combined Management Report, chapter "Sustainability Statement":

Impact analysis (materiality): ESRS2 IRO-1, SBM-3

Targets (climate-related): E1-4

Actions (climate related): E1-3 and document ESG in the credit- and investment process

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. 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.

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.

See Annual Report 2024, Combined Management Report, chapter "Sustainability Statement":

Information on interaction with clients & customers: ESRS 2 SBM-2

Information on the Sustainable and Transformational Finance Framework: E1-3

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 updated in the context of the ESRS requirements, 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. 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 2024, 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 "ESG & Business Development" department steers the topic on a day-to-day basis. 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 2024, 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.
