Frankfurt am Main, 2026

The Importance of Nature to DZ BANK AG

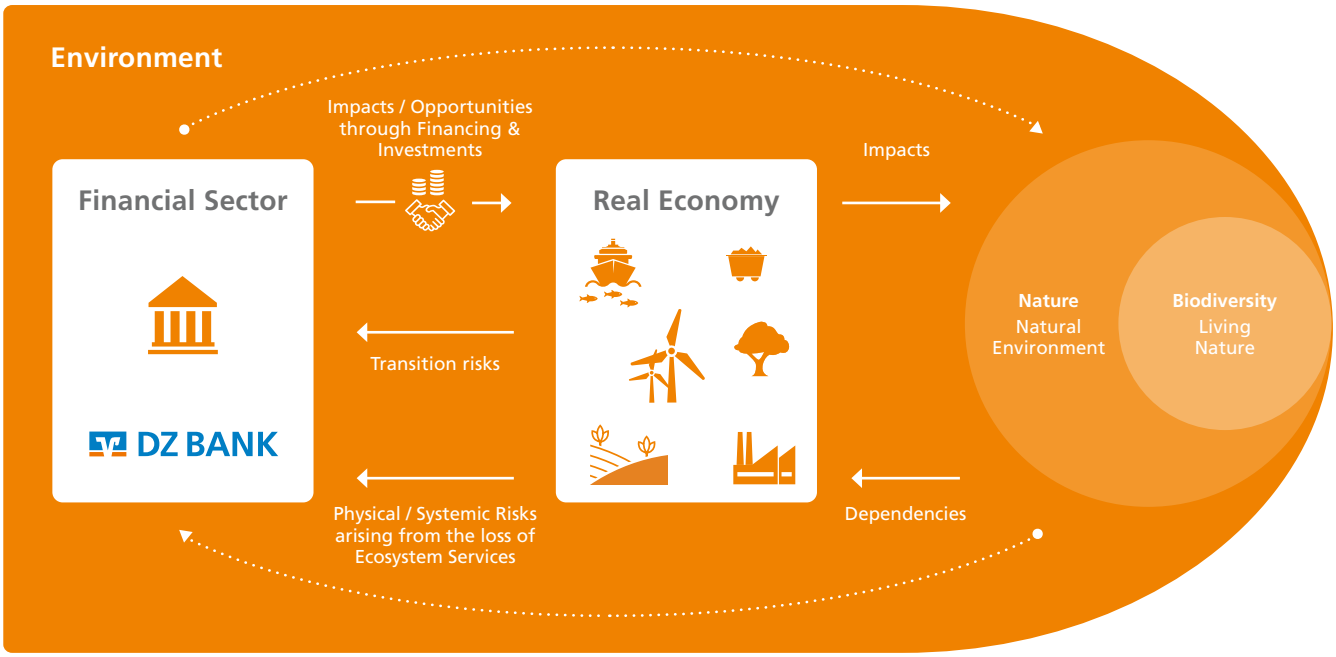
Nature forms the basis of our economic and social prosperity.

Healthy ecosystems provide essential ecosystem services such as water availability and water quality, soil fertility and climate regulation and are therefore fundamental for functioning value chains and economic stability.

Against this backdrop, DZ BANK AG considers nature as a strategically relevant factor for its business model – in terms of impact, regulatory risk and opportunities.

Economic activities are closely interlinked with natural systems.

- **Impacts:** Economic activities impact nature throughout the entire value chain.
- **Dependencies:** Economic activities depend on healthy ecosystems.
- **Risks:** These interactions give rise to physical, transition and systemic risks for businesses and financial institutions.
- **Opportunities:** Wherever investment is required to protect, restore or sustainably use natural capital, nature-related financing opportunities arise.



Nature comprises all biotic and abiotic components and their interactions. **Biodiversity** refers to the variety of life and is central to the functioning and resilience of natural systems. **Natural capital** comprises the economically important resources and ecosystem services, whose value and productivity decline as they become degraded.

Focus of DZ BANK AG: Freshwater as a priority nature-related topic

- Water availability, water quality and functioning water cycles are under increasing pressure worldwide.
- Around a quarter of the world's population lives in regions experiencing very high water stress.
- The challenges of water scarcity and declining water quality are also becoming increasingly evident in Europe.
- Disruptions to the water cycle have an impact on production, supply chains and prices.

Freshwater is both a relevant risk factor and a critical factor for economic development, making it particularly relevant to the financial sector.

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Nature-related Action Fields for DZ BANK AG

1. **Targeted mitigation of negative nature-related impacts** through guidelines such as sector principles and exclusion criteria.
2. **Systematic integration of nature-related risks** into management and decision-making processes.
3. **Actively capturing nature-related opportunities** through financing in the credit and capital markets business.

1

Potentially negative impacts should be identified, categorised and assessed for consideration in lending decisions.

The **exclusion criteria and sector principles** of DZ BANK AG limit negative impacts in lending, for example in relation to illegal deforestation or through defined guardrails for selected sectors such as water infrastructure, the commodities industry and agriculture.

The cross-sectoral **SDG mapping** assesses the impact of lending activities along the 17 Sustainable Development Goals and makes potentially negative effects visible.

2

Building on regulatory requirements, nature-related risks will be integrated into the credit process, among other measures.

Aggregated Nature Score 1–100
physical and transition risk
(A B C D E)

Client Score – Supply Chain
Indirect risk

\+

Client Score – Direct Operation
Direct risk

Sector assessment + Country assessment

Sector assessment + Country assessment + Location assessment

The client's upstream risks

The internally used **"Nature Score"** is currently being finalised and will serve as a basis for the systematic assessment of nature-related risks in lending decisions. It covers **sector, country, location and supply chain risks** and thereby reflects both **physical** and **transition** risk perspectives.

3

In terms of opportunities, there is a particular focus on the topic of freshwater.

Nature-related financing opportunities across credit and capital markets arise throughout the entire value chain, including the following areas:

- **Water and Wastewater Infrastructure** (modernisation, expansion, control systems)
- **Circular Water Management, Water Recycling and Reuse, Energy Efficiency and Energy Recovery** in water treatment
- **Technologies for Pollutant Removal and Water Monitoring**

DZ BANK AG takes a broader view of nature, going beyond the risk perspective required by regulators: Natural capital is regarded as an integral part of the business model – not only as a risk factor, but also as a strategic area for investment and an opportunity for sustainable value creation. For further information on DZ BANK AG's nature-related action fields concerning impacts, risks and opportunities, please refer to the full version of the Nature Position Paper.

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