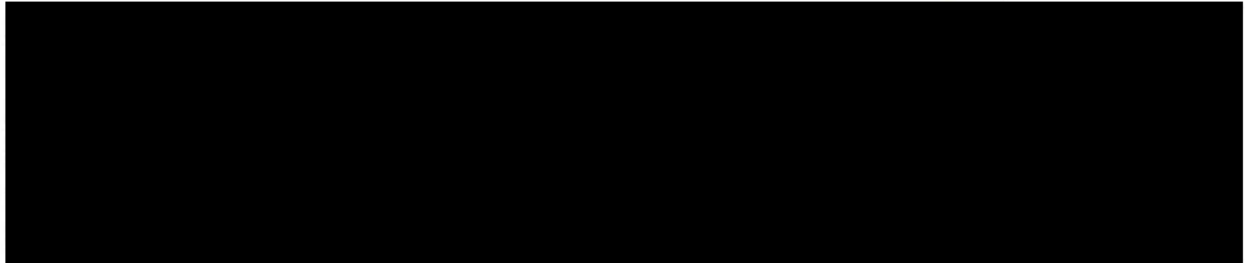
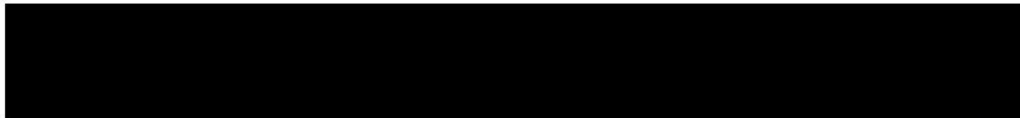
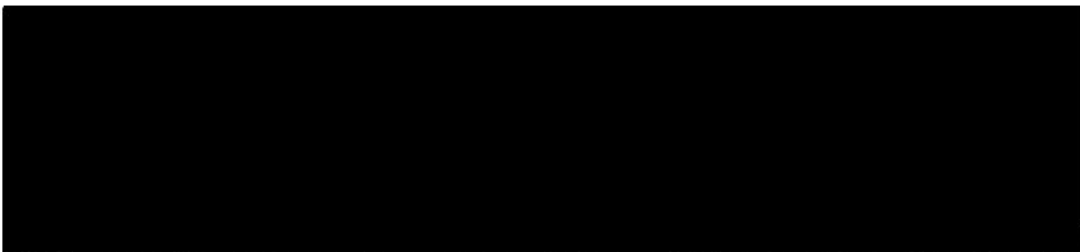


Berlin, 18.12.2024



Apart from this, however, I see an urgent necessity to ask for your proactive support for three items regarding the financing of the defence industry:

1. The defence and security industries suffer from conflicting reporting obligations, from which we must be liberated. One of the obligations the CSRD imposes upon companies is the reporting of "Scope 3.11 emissions". Scope 3.11 refers to the emissions caused by the *"use of end products"*. Our clients are overwhelmingly the militaries of EU member states, who – in a CSRD reporting scenario – would have to report our products as Scope 1 and 2 emissions as they constitute an upstream aspect of their supply chains. Yet, militaries worldwide are **exempt** from the obligation to report their GHG emissions under the Paris Climate Agreement. Therefore, if military Scope 1 and 2 emissions are equivalent to the Scope 3 emissions of our industry, it follows that we should **also** be exempt from this reporting obligation – not least out of concerns for national security.

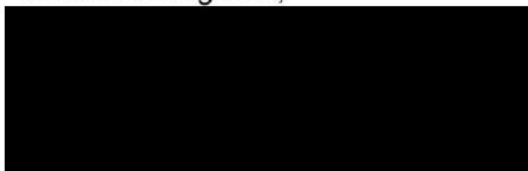


2. There is an inherent incompatibility between our products and the EU's climate goals. Currently more than 50.000 companies in the EU have to prepare for the green reporting and accounting processes in accordance with the CSRD-Directive. In case of classical defence products - like tanks or fighter planes - it is obvious that their fitness for purpose will - for the upcoming decades - still require fossil fuel consumption. Not to mention, that the lifecycles of our products can span up to thirty years, meaning: 1) they are not fit for the goal of net-zero emissions by 2050 and 2) for the next thirty+ years our industry will be forced to report that it is not climate neutral, directly affecting our eligibility for funding.

The ECB as Europe's supervisory body for banks published guidelines, which clearly demand that banks change their customer portfolios to be climate-neutral by 2025. If, however, defence companies have to report long-term fossil-fuel dependencies of their products, such companies will be forced out of the scope of European banks, further exacerbating out difficulty to achieve funding. This is made all the more difficult when considering that private banks are not responsible for maintaining a public good like defence.

3. Another item directly related to the financing of defence companies is the SFDR. Page 25 of the Commission's EDIS Joint Communication of March 5th, 2024 states that with the exception of weapons banned by international treaties, the defence industry „enhances sustainability“ due to its inherent contribution to the protection of our way of life. It is paramount that this clause be integrated into the SFDR. The SFDR („Sustainable Finance Disclosure Regulation – EU 2019/2088) provides the only and most important guidance for private banks on the matter of funding for the defence industry. There the definition of sustainable assets under SFDR-Art. 2 No. 17 urgently needs to be amended to echo the wording contained in the EDIS.

With best regards,

A decorative graphic consisting of several overlapping triangles in black, red, and yellow, arranged in a stylized pattern.

**SICHERHEIT IST DIE MUTTER ALLER NACHHALTIGKEIT**

