

Green Transition

Commerzbank · 2026-10-22 · English original

Decarbonisation is pivotal for a sustainable real economy in alignment with the Paris climate target.

To reach these targets, CO₂ needs to be reduced from both production and delivery processes. But how can companies achieve this? And how can a bank like Commerzbank provide them with support? Time is of the essence; it's planned that by 2040 EU-wide emissions, will be reduced by 55 percent compared to levels in 1990.

Decarbonisation and Electrification Go Hand in Hand

"The electrification of production processes will gradually transform an entire operation to run on renewable energies," says Wolfgang Vitzthum, Managing Director of the team Sustainable & Transition Finance Advisory at Commerzbank. "This reduces CO₂, promotes decarbonisation and helps to achieve a low emission economy." Electrification also strengthens competitiveness as companies can slowly begin to dispense with oil and gas, making them less susceptible to price fluctuations on the global market.

Clarifying Financial Structures

"Firstly, we need to determine how much money a company would need for the transition and what type of financing is required," Vitzthum continues. To support its corporate clients, Commerzbank has a team of highly trained ESG and transformation advisers. With their expertise, concrete implementation steps and financial plans can be developed. Having decarbonisation goals and metrics available to address stakeholder expectations is key for this process.

A Mix of Renewable Energy Sources Provides Advantages

For companies, especially in energy-intensive industries, improved energy efficiency is often the first step towards decarbonisation. But that's only the beginning, the aim for a corporate is to switch to a renewable energy supply where feasible, diversify sources and potentially produce its own renewable electricity. "Guarantees of origin evidencing the origin of electricity generated from renewable sources and long-term virtual or physical Power Purchase Agreements (PPA) are important tools to accelerate this transition within a company," says Vitzthum. "This will not only result in a smaller CO₂ footprint but also provides additional security of supply and attractive pricing terms."

If a company invests in its own renewable capacities, such as wind or solar parks, it enhances autonomy. Respective facilities can be located on the company's premises, nearby, or off-site. "It's a complex and demanding task, but it's worth it," concludes Vitzthum. "Only with a mix of renewable energy sources it is possible to reconcile transformation and achieve long-term business success," he concludes.

Banks Advise and Structure

To finance a future with as few emissions as possible, structured transactions linked to specific CO₂ metrics are recommended. These include syndicated or project financings as well as bonds and securitisations. Commerzbank also advises to involve export credit agencies who can manage part of the risk in cross-border transactions. Bilateral loans with interest rates tied to CO₂ targets, are particularly interesting for medium-sized companies which aren't active on the capital market. Supporting instruments – such as federal programs or similar ones from the European Investment Bank, – help to optimise the financing structure. “Here, too, it's all about the mix,” summarises Vitzthum.

Wolfgang Vitzthum

He is Managing Director of the Sustainable & Transition Finance Advisory team at Commerzbank. The team advises corporate clients at the interface between strategy, sustainability and financial markets. Wolfgang Vitzthum has almost 20 years structuring and sales experience in various sectors and customer groups. He is a graduate economist and began his career in Structured Finance at Dresdner Bank in 2005.

Decarbonisation at the Intersection of Climate and Market Forces

11/07/2025 - Commerzbank outlines its approach to portfolio steering amid changing market conditions.

A Sustainable Focus on Profits

08/13/2025 - Transition plans can help corporate clients incorporate ESG (Environmental, Social and Governance) considerations into their financing decisions.

Source: <https://www.commerzbank.de/group/what-drives-us/responsible-action/2024-transition-finance.html>