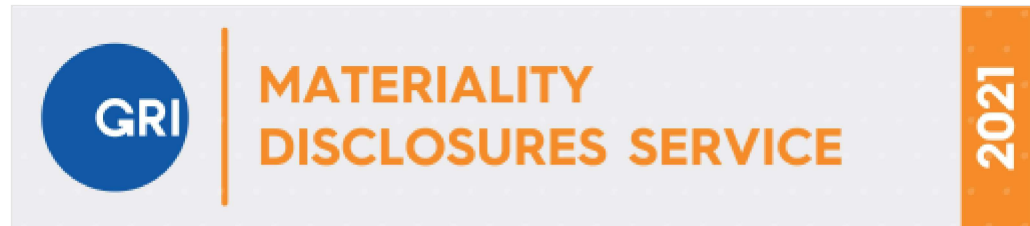


Report according to Global Reporting Initiative

For 2020, Commerzbank is reporting on its sustainability performance according to the Standards published by the



Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards: "Core" option. The disclosures included in the report were selected based on a materiality analysis conducted in 2018. This report also serves as our annual Communication on Progress regarding our implementation of the ten principles of the UN Global Compact (UNGC).

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the German version of the report. All the GRI Standards listed in the following GRI content index were published in 2016. The exceptions are the updated standard GRI 403: Occupational Health and Safety 2018 and the new standard GRI 207: Taxes 2019.

GRI content index

GRI 101 Foundation

We have taken the content of Standard 101 (Foundation) into account in compiling this GRI report.

GRI 102 General Disclosures

1. Organisational profile

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
102-1	Name of the organisation Commerzbank AG		
102-2	Activities, brands, products, and services The Bank's two business segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services precisely tailored to their customers' needs. As a result of the integration of Comdirect, private and small-business customers benefit from the services of one of Germany's most modern online banks combined with personal consulting services on site. The subsidiary mBank in Poland is an innovative digital bank and supports around 5.5 million private and corporate customers, mainly in Poland as well as in the Czech Republic and Slovakia.		
102-3	Location of headquarters Commerzbank AG's headquarters are located in Frankfurt am Main, Germany.		
102-4			

	<p>Location of operations Commerzbank has locations in almost 40 countries. As of 31 December 2020, outside Germany, the Bank is represented in all of the world's major financial centres through 6 material Group companies, 20 operational foreign branches (2019: 20) and 30 representative offices and financial institutions desks (2019: 30). The focus of the Bank's international activities is on Europe. For details on Commerzbank's global presence, please see the Annual Report 2020 (rear jacket).</p>	
<p>102-5</p>	<p>Ownership and legal form Commerzbank is a public limited company (AG) under German law. As of 31 December 2020, approximately 35 % of all Commerzbank shares were held by the Federal Republic of Germany as well as private shareholders, who are mainly resident in Germany. Approximately 65 % of all Commerzbank shares were in the hands of institutional investors, in particular the Capital Group, Cerberus, Blackrock and the Norwegian State through Norges-Bank. Free float stood at roughly 80 %.</p> <p>Shareholder structure (PDF, 31 kB)</p>	
<p>102-6</p>	<p>Markets served Commerzbank is the leading bank for SMEs, as well as a strong partner for around 30,000 corporate customer associations and around 11 million private and corporate customers in Germany. Commerzbank transacts approximately 30% of Germany's foreign trade and is represented internationally in corporate banking in <u>almost 40 countries</u>. The Bank focuses on German SMEs, large corporations and institutional customers. With regard to international business, Commerzbank supports customers with business ties to Germany and companies from selected up-and-coming industries.</p>	
<p>102-7</p>	<p>Scale of the organisation In the 2020 financial year, the Commerzbank Group generated gross income of approximately 8.6 billion euros with a headcount of around 48,000. The operating profit amounted to -233 million euros. Consolidated profit attributable to Commerzbank shareholders stood at -2,918 million euros. The Group had total assets amounting to 506.9 billion euros as at 31 December 2020.</p> <p>Key performance indicators Commerzbank Group (PDF, 26 kB)</p>	
<p>102-8</p>	<p>Information on employees and other workers At the end of 2020, 29.601 people were employed at Commerzbank AG in Germany. Another 3.482 employees who work for Commerzbank AG abroad join this figure. Unless otherwise indicated, the figures for and information about employees below refer to Commerzbank AG employees in Germany. Headcount at Commerzbank AG in Germany increased year on year by 186 employees. The majority of employees have permanent employment contracts. Around 30 % of our employees currently work part-time. The proportion of external employees at Commerzbank is not significant.</p> <p>Total workforce at Commerzbank AG (Germany) by gender and type of employment (PDF, 27 kB) Employment split (full time/part time) at Commerzbank AG (Germany) by gender and workforce by type of contract and gender (PDF, 27 kB)</p>	<p>6</p>

[Employees at Commerzbank AG \(Germany\) by place of work and type of contract \(PDF, 27 kB\)](#)

102-9**Supply chain**

The core product categories for the procurement of suppliers and service providers at Commerzbank are the infrastructure for data processing (including network technology, computing centres and telecommunications), market data, services (particularly advisory services, external human resources services and mobility services) and buildings, logistics and insurance (such as construction works, operational management of buildings and banking technology). Please see GRI 308/103 and GRI 414/103 for information about the sustainability criteria.

102-10**Significant changes to the organisation and its supply chain**

Important staffing and business policy events are presented in detail in the [Annual Report 2020](#) (p. 92 et seq.):

- Personnel changes to the Board of Managing Directors and Supervisory Board took place at different points in 2020.
- The sale of the Equity Markets & Commodities division underwent its commercial completion in May.
- Commerzbank successfully concluded the full takeover of Comdirect on 2 November 2020. Following the merger, Commerzbank and Comdirect are initially continuing their respective service offerings unchanged.
- Commerzbank successfully issued two Additional Tier 1 bonds.
- The regulatory capital requirements for Commerzbank were reduced as part of the annual review and in the course of methodological changes.
- Commerzbank issued its second own green bond with an issue volume of 500 million euros.
- In February 2021, Commerzbank published its "Strategy 2024". With the new strategy, the Bank plans to focus and to digitalize its business model, to significantly cut costs in all areas and to considerably boost its profitability by 2024.

102-11**Precautionary Principle or approach**

We want to exploit all opportunities to avoid risks to our business and, at the same time, tap into opportunities for a future-oriented orientation. The identification of all material risks and drivers of risk, the independent measurement and evaluation of these risks and a risk/return-oriented management approach built on this foundation as part of a future-oriented risk strategy are crucial factors in successful risk management. For details, please see the Group Risk Report in the [Annual Report 2020](#) (p. 123 et seq.).

Climate risks are among the greatest challenges of our time. As a bank, we see our obligation in reviewing the impact of our financing and subsequently managing our portfolios in line with the Paris climate target. In June 2020, Commerzbank signed the [Collective commitment of the German financial sector to achieve the targets of the Paris Agreement on Climate Change](#). In this commitment, we undertake to demonstrably manage our credit portfolio in accordance with the principles of the Paris Climate Agreement by the end of 2022 – with the aim of limiting global warming to well below 2 degrees Celsius. In September 2020,

12

Commerzbank joined the Science Based Targets Initiative (SBTi). By defining science-based targets to reduce CO2 in our loan portfolio, we aim to contribute to climate change mitigation. At the same time, climate change also creates new risks and opportunities for our credit portfolio. To analyse and report on these in a transparent manner, we joined the Task Force on Climate-related Financial Disclosures (TCFD) in 2020.

The early identification and appropriate management of further environmental or social risks is incorporated into the Group's overall risk strategy and management via its reputational risk management. As part of this reputational risk management, we review products, transactions and customer relationships where sustainability aspects play a particular role. The focus is on ethically, socially or ecologically sensitive areas – for example, where projects may lead to increased pollutants in the air, water and soil, or where they may be linked to the over-exploitation of natural resources. We also take into account respect for human rights when doing business with our customers. This can affect, for example, local residents or employees in incidents involving raw material extraction in developing and emerging countries. Reputational risk management sets prerequisites and limits for Commerzbank's business activities by making differentiated assessments and rejecting transactions, products or customer relationships under certain conditions.

For details on climate and reputational risk management, please see SF 103.

102-12 External initiatives

17

For decades, Commerzbank has taken its responsibilities as a financial service provider very seriously, as evidenced by its membership in respected associations, including:

- German Association of Environmental Management (B.A.U.M., since 1987)
- German Association for Environmental Management and Sustainability in Financial Institutions (VfU, since 2006)
- Rhine-Main Environmental Forum (since 2009)
- German Sustainable Building Council (DGNB, since 2010)
- UPJ e. V. – German national network of engaged businesses and local non-profit intermediary organizations (since 2013)
- Roundtable on Sustainable Palm Oil (since 2014)
- Green Bond Principles (since 2014)

We are also members or signatories of the following initiatives:

- UNEP FI (founding member 1992)
- CDP, previously the Carbon Disclosure Project (since 2002)
- UN Global Compact (since 2006)
- Germany's Diversity Charter (signed 2008)
- The German Sustainability Code (statements of compliance since 2013)
- World Bank's Carbon Pricing Leadership Coalition (since 2015)
- Frankfurt Declaration "Accelerating Sustainable Finance" (since 2017)

- Green and Sustainable Finance Cluster Germany (since 2017)
- Climate Neutral Now (signed 2018)
- UN Women's Empowerment Principles (signed 2018)
- Alliance for development and climate (since 2018)
- Initiative "pro Recyclingpapier" (since 2019)
- Principles for Responsible Banking (founding signatory 2019)
- Green Investment Principles for Belt and Road (signed 2019)
- Climate Bond Initiative (since 2020)
- The collective commitment of the German financial sector to achieve the targets of the Paris Agreement on Climate Change (signed 2020)
- Principles for Responsible Investment (signed 2020)
- Task-Force on Climate-related Financial Disclosures (signed 2020)
- Science Based Targets initiative (signed 2020)
- Net Zero Banking Alliance (signed 2021)

In addition, we are actively involved in various working groups focused on further developing sustainability standards:

- Sustainability management (previously: Sustainability) working group of the Association of German Banks (since 2013; founding member)
- Project Committee "Sustainable Finance" of the Association of German Banks (since 2020)
- Sustainable Trade working group of the International Chamber of Commerce (since 2016)
- Sustainable Finance working group at the Institute of International Finance (since 2016)
- Human Right Peer Learning Group hosted by Global Compact Network Germany (since 2017)

102-13 Membership of associations

Commerzbank is a member of a range of associations and interest groups, both at a national and an international level, including the following organisations:

- BdB – Bundesverband deutscher Banken (Association of German Banks)
- EBF – European Banking Federation
- VdP – The German Pfandbrief Banks
- Wirtschaftsrat der CDU (Economic council of the CDU)
- Wirtschaftsforum der SPD (Economic forum of the SPD)
- AICGS – American Institute for Contemporary German Studies
- IIF – Institute of International Finance
- Gesellschaft zum Studium strukturpolitischer Fragen ("Association for the study of structural policy issues")
- AFME – Association for Financial Markets in Europe
- SUERF – The European Money & Finance Forum
- EPFSF – European Parliamentary Financial Services Forum
- ERFF – European Retail Financial Forum
- CEPS – Centre for European Policy Studies

2. Strategy

Nr.	Disclosure	UNGC	SDG
102-14	<p data-bbox="311 257 1220 324">Statement from senior decision-maker Dear Sir/ Madam,</p> <p data-bbox="311 358 1220 784">Reducing greenhouse gases consistently. This is the focus of all current climate activities. Already adopted by 197 countries in 2015, the Paris Climate Agreement now forms the basis for almost all players in politics and business when it comes to their own CO2 reduction strategies. EU-wide climate neutrality is to be implemented by 2050 at the latest, and Germany is to be climate neutral as early as 2045. Because only if we succeed in limiting global warming in line with the Paris climate target can we effectively counter climate change. As a financial institution, we have a special role to play here: As a strategic partner, we want to and will support our customers in achieving their own climate and sustainability goals; because together we can achieve the most to protect the climate.</p> <p data-bbox="311 817 1220 1176">This aspiration is already firmly anchored in Commerzbank. I was aware of this from the very beginning when I took over as Chairman of the Board of Managing Directors in January of this year. In renewable energies, for example, the Commerzbank portfolio includes financing transactions amounting to 5.1 billion euros. This means that we remain one of the leading companies in this area. In 2020, we also played a leading role in 31 green and social bonds with a total volume of more than 46 billion euros, including the German federal government's first green bond. And with <u>Klimavest</u>, we launched the first impact fund for private investors in Germany.</p> <p data-bbox="311 1209 1220 1489">Sustainability is a multi-disciplinary issue that needs to be managed consistently and holistically. At the end of last year, we therefore pooled our previous activities in the newly created Group Sustainability Management division. Since January of this year, far-reaching strategic decisions have been taken by the <u>Group Sustainability Board</u>, which I have the honour of chairing. Other key decision-makers from all relevant areas of the Bank are also represented here - because we think and manage sustainability holistically.</p> <p data-bbox="311 1523 1220 1624">This Bank-wide cooperation is already paying off: In the first quarter of 2021, we adopted the core elements of our sustainability strategy and set ambitious targets for ourselves.</p> <ul data-bbox="359 1680 1220 1971" style="list-style-type: none"> • We are one of the first signatories to <u>UNEP FI's Net Zero Banking Alliance</u>. By 2050, we will set the CO2 emissions of our entire loan and investment portfolio to net zero. • By 2025, we will mobilize 300 billion euros for sustainable financial products. • We lead by example and will set the CO2 emissions of our own banking operations to net zero as early as 2040. From our suppliers, we expect at least climate neutrality by 2040. <p data-bbox="311 2027 1220 2085">Net zero is much stricter than climate neutrality. A company may</p>	1-10	<u>7</u> , <u>12</u> , <u>13</u>

only emit as much CO2 as it permanently absorbs from the atmosphere. The basic principle is to avoid emissions as far as possible. Offsetting is only possible in justified exceptional cases and can only be carried out through certified greenhouse gas reduction. These are real projects where it can be proven beyond doubt that they permanently remove CO2 from the atmosphere.

To reliably measure our reduction progress, we rely on the science-based CO2 reduction targets defined in accordance with the Science Based Targets Initiative, which we were the first German bank to join in September 2020. And for a transparent presentation of progress, we use the recommendations put forward by the Task Force on Climate-related Financial Disclosures. We intend to submit our first non-financial report in accordance with TCFD for the 2021 fiscal year.

As a matter of course, social aspects and criteria for good corporate governance are always taken into account in our business decisions. This year, for example, we were listed for the third consecutive time in Corporate Knights' Global 100 Index of the world's most sustainable companies.

This Sustainability Report has been prepared in accordance with the GRI standards and covers all the main developments at the Bank in the reporting year. At the same time, it is our 2020 Progress Report in accordance with the UN Global Compact. Its 10 principles for human and employee rights, environmental protection and combating corruption, as well as the 17 Sustainable Development Goals of the United Nations, form the basis of our sustainability work.

We aim to inform all our stakeholders transparently about our sustainability initiatives and activities. This has included our annual GRI report since 2005. It provides comprehensive insight into all material aspects of ESG (environmental, social and governance issues) at Commerzbank.

With best wishes,
Your Manfred Knof
Chairman of the Board of Managing Directors, Commerzbank AG

102-15 Key impacts, risks, and opportunities

12

Companies can have economic success only if their daily actions are accepted by society. Commerzbank also emphasises this in its strategic objectives. We want to live up to this responsibility. We have long defined binding rules for handling environmental and social risks. That is why we have adopted a clear stance on controversial issues such as arms, fossil energies and mining (please see SF 103). Transparency and fairness towards our customers are one of the key pillars of sustainable business development. We treat our employees as partners – even and especially at times of great upheaval and economic challenges. The far-reaching restructuring scheduled to begin in 2021 will lead to a further loss of jobs. Here, too, Commerzbank will do everything it can to agree fair solutions for the headcount reduction in consultation with the employee representatives (please see GRI 401/103).

2020 was another challenging year. It was an impressive reminder of how important it is for every individual to take

responsibility for how we live together as a society. The coronavirus pandemic has changed the daily lives of every single one of us. Protecting health is Commerzbank's top priority in the coronavirus pandemic. Commerzbank has set up a crisis team to respond to developments and decide on new measures and coordinate them. Our primary goal is to protect our employees and customers. This includes, among other things, the temporary closure of many branches, the restriction of business trips and a split business operation. A large part of the workforce is working from home on a mobile basis in order to avoid contact with others. In recognition of additional burdens, all active employees and junior staff of Commerzbank in Germany and abroad received a lump-sum special payment of 500 euros at the end of the year. At the same time, we have made it possible to continue to stand by our customers' side during this stressful period.

With the Strategy 2024 published in mid-February 2021, we have anchored sustainability even more firmly in our business model. We are convinced that sustainability must be approached holistically. In this conjunction, we view sustainability across all ESG dimensions. We focus on mitigating climate change and its consequences, as this is where the most urgent need for action exists due to the irreversibility of climate change once it has occurred. As a bank, we are committed to the Paris Agreement's goal of limiting global warming to well below two degrees Celsius and are aiming for the 1.5-degree target. The "Sustainability 5.0" project, which was launched in 2019 and continued in 2020, has been incorporated into the new strategy. Specific targets have been defined for all segments and divisions, which provide guidance and are to be implemented in the coming years. The 100-goal sustainability programme adopted in 2017 was completed on schedule after three years with a final status report.

Sustainability affects all areas of the Bank. Hence, we will continue to integrate the topic into our customer offers, risk management and banking operations. On the one hand, we empower our customers and help them to achieve sustainable transformation. This entails our support for our customers in their endeavours to become more climate-friendly. To this effect, we will further expand our range of environmentally friendly products, thereby also securing our appeal and competitiveness. On the other hand, we are driving forward the Bank's transformation. To this end, we want to set a good example as a company and consistently continue to cut back on our ecological footprint.

In a further step, Commerzbank therefore joined UNEP FI's Net-Zero Banking Alliance in April 2021. The goal is to reduce the carbon footprint of the Bank's entire lending and investment portfolio to net zero by 2050 at the latest. For its own banking operations, the Bank already aims to reduce CO2 emissions to zero by 2040. We expect our suppliers to be at least carbon neutral by 2040. We have also set ourselves the goal of increasing the volume of sustainable financial products to 300 billion euros by 2025. We will achieve this sharp increase through bond issues for our corporate customers, asset management products for corporate and private customers, and our green construction financing for private customers, amongst other things.

3. Ethics and integrity

Nr.	Disclosure	UNGC	SDG
102-16	<p>Values, principles, standards, and norms of behaviour</p> <p>For us, sustainable corporate governance means striving to keep the promise of being "The bank at your side". We are committed to being a reliable partner to our stakeholders and act in line with ethical values, such as integrity and fairness.</p> <p>We undertake to comply with legislation, directives and market standards as well as various internal policies. In addition, we have been committed to the globally recognized principles of the <u>UNGC</u> since 2006.</p> <p>The key document is the globally binding <u>Code of Conduct</u>. It provides employees with a framework for correct and ethical conduct in their daily work and is further specified in other instructional documents. It makes clear what Commerzbank expects of its employees: Not only must they comply with laws, regulations and internal rules, but they must also live up to the Group's ethical standards and values in their day-to-day work.</p> <p>Important guidelines for responsible conduct are also laid out in the</p> <ul style="list-style-type: none"> • Corporate culture, with the five <u>ComWerte</u> (corporate values) of client orientation, performance, integrity, team spirit and courage; • <u>Corporate Responsibility Guidelines</u>, which refer to six areas of compliance and transparency, integration in core business, raising employee awareness, stakeholder dialogue, commitment to the UNGC and continuous improvement; • <u>Commerzbank policy framework</u> for handling environmental and social risks in its core business; • <u>Commerzbank's Environmental Policy</u>; and • <u>Procurement guidelines</u>, which include ethical guidelines and the sustainable procurement standard. 	10	<u>12</u> , <u>16</u>

4. Governance

Nr.	Disclosure	UNGC	SDG
102-18	<p>Governance structure</p> <p>The Board of Managing Directors of Commerzbank is responsible for independently managing the Bank in the Bank's best interest. In doing so, it must take into account the interests of shareholders, customers, employees and other stakeholders, with the objective of sustainable value creation. It develops the company's strategy, discusses it with the Supervisory Board and ensures its implementation.</p> <p>The Supervisory Board advises and supervises the Board of Managing Directors in its management of the Bank. It appoints and dismisses members of the Board of Managing Directors and, together with the Board of Managing Directors, ensures that there is long-term succession planning. Further information can</p>		<u>12</u>

be found in the Report of the Supervisory Board (pp. 6-18) and the Declaration of Corporate Governance (pp. 27-34) in the [Annual Report 2020](#).

102-19 Delegating authority

In December 2020, the new Group Sustainability Management division was established, which reports to the Chairman of the Board of Managing Directors. In this way, Commerzbank is underscoring the strategic importance of the issue and taking into account the requirements of relevant stakeholder groups such as customers and investors. In continuation of the previous sustainability management, the new division will in the future act as a hub for coordinating existing sustainability activities, developing them further and initiating new ones. One of the aims is to establish comprehensive governance alongside a holistic and long-term sustainability strategy and thus to further promote internal networking on the subject.

To this end, for example, the "Sustainability Group" was established as the succeeding body to the "Sustainable Finance Committee". This internal format provides information on all aspects of sustainability and activities related thereto at the Bank. This supports cross-divisional exchange while strengthening the topic of sustainability throughout the Bank.

The Group project "Sustainability 5.0," which was aimed at anchoring corporate responsibility even more firmly in the Bank, was continued in 2020. The project involved the customer segments, Risk Management and numerous other Group units. Responsibility for the overall project was assumed by Group and divisional management boards. The project teams have set themselves ambitious targets and will continue to work on the implementation of adopted measures and the development of new ones.

The Group project has given rise to further projects in various units of the Bank, and certain content has been transferred to line functions. In the next step, a Strategic Initiative on the topic of sustainability was therefore set up in May 2021, which embraces all the sustainability activities in the lines and projects. It is aimed at allowing the close interconnection of overarching topics, coordinated action, and stringent tracking/reporting.

[Sustainability at Commerzbank AG \(PDF, 38 kB\)](#)

120-20 Executive-level responsibility for economic, environmental, and social topics

To drive forward the sustainable alignment of the business model in all areas, Commerzbank set up its own decision-making body dealing with the topic of sustainability in February 2021. With the [Group Sustainability Board](#), we are firmly anchoring the interdisciplinary topic of sustainability in the Bank's organisation. The Board is responsible for defining the Bank's strategic sustainability goals and also monitors the measures taken to implement and manage them. The Chairman of the Group Sustainability Board is the Bank's CEO - Manfred Knof. In addition to him, the Board includes other members of the Board of Managing Directors, the executives of the segments and divisions concerned with sustainability, and the divisional management of Group Sustainability Management.

102-22	Composition of the highest governance body and its committees	
<p>All ten shareholder representatives on the Supervisory Board, including the Chairman of the Supervisory Board, can be classified as "independent" pursuant to the German Corporate Governance Code. With regard to nominations for the election of Supervisory Board members, the Bank attaches particular importance to a diverse composition. To ensure that it is able to perform its duties efficiently, the Supervisory Board has formed seven permanent committees from amongst its members. The current composition of the committees is presented on page 19 of the Annual Report 2020, the members of the Supervisory Board are listed on the pages 20 and 21.</p>		
102-25	Conflicts of interest	<u>16</u>
<p>Conflicts of interests may arise whenever business interests are at stake. We make every effort to avoid such conflicts. If conflicts of interest nevertheless arise in individual cases, the internal guidelines for dealing with conflicts of interest, which adhere to the legal requirements and the European recommendations, apply to the members of the Supervisory Board.</p> <p>Information on conflict of interests is available in the Annual Report 2020 (pp. 15, 31, 82).</p>		
102-26	Role of highest governance body in setting purpose, values, and strategy	
<p>In 2020, one particular focus of the Supervisory Board's work was monitoring the Bank's strategic decisions. The Supervisory Board and the Board of Managing Directors examined the Bank's strategic direction in depth in two full-day strategy meetings. Selected members of the Supervisory Board also discussed key strategic issues in detail with the relevant members of the Board of Managing Directors in several strategy workshops. Furthermore, the Supervisory Board dealt intensively with the effects of the coronavirus pandemic and assisted the Board of Managing Directors in an advisory capacity. Finally, the Supervisory Board also focused intensively on personnel issues, in particular the appointment of successors to the Chairman and two further members of the Board of Managing Directors, and to the Chairman and three further members of the Supervisory Board. In addition, the Bank's current business situation was discussed in detail with the Board of Managing Directors at the ordinary meetings. Other topics included the economic and financial development of the Bank, the risk situation, the strategy and its implementation status, corporate planning, share-price development, compliance issues, the risk management system, the internal control system, and the topic of sustainability. In 2020, a total of 14 Supervisory Board meetings were held in addition to the two strategy days. Details of the individual meetings can be found in the Annual Report 2020 (pp. 6-10).</p>		
102-27	Collective knowledge of highest governance body	
<p>Regular training and development measures were held for the Supervisory Board in the reporting year. The topics of sustainability/ESG and cyber risk, amongst others, were presented in detail during the plenary sessions of the Supervisory Board.</p> <p>We report on training and development measures for the Supervisory Board in the Annual Report 2020 (p. 15).</p>		

102-35 Remuneration policies5

We offer our employees an attractive remuneration package made up of basic salaries in line with market conditions, plus variable performance-related payments and numerous special supplements. The salaries of employees covered by collective bargaining agreements are governed by the collective bargaining agreements for the private banking sector. More senior positions are not subject to collective bargaining agreements. In this regard, we have classified all positions at the Bank into career paths and levels and defined compensation brackets for them in line with market condition.

As a result of the increased significance arising from expanded regulatory requirements, the remuneration systems and aggregated remuneration data for employees below the level of the Board of Managing Directors are disclosed in a separate report (remuneration report pursuant to Art. 16 of the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung)). This is published annually on the Commerzbank website.

The Transparency in Wage Structures Act (Entgelttransparenzgesetz) has been applicable in Germany since 2017. Commerzbank's measures to promote equality between women and men in qualified positions, as well as its measures in favour of equal pay for women and men for equal work, are presented in the Report on Gender Equality and Equal Pay (Bericht zur Gleichstellung und Entgeltgleichheit).

By offering attractive additional benefits, we want to create a good working environment, acknowledge performance and position ourselves as an attractive employer. As such, Commerzbank AG has been supplementing the statutory pension with a company pension scheme for years. Employees can also take advantage of other offers under the company pension scheme at special conditions. Commerzbank also offers its employees the opportunity to lease cars, high-quality bicycles or IT equipment for private use through the Bank. Employees in Germany have been receiving a mobility allowance for the use of public transport to get to work since April 2020.

The remuneration system for the Board of Managing Directors supports the sustainable development within the framework of Commerzbank's Group strategies and its strategic goals. The targets set annually for variable remuneration promote the long-term development of Commerzbank. These also include ESG targets, such as specific targets for customer and employee satisfaction, demographic change, risk and reputation management as well as for compliance targets. For the 2021 financial year, the Supervisory Board has further expanded the proportion of ESG targets, in particular environmental targets aligned with the Bank's strategy.

Detailed information on the remuneration of the Board of Managing Directors and Supervisory Board is provided in the Remuneration Report in the Annual Report 2020 (pp. 35-61).

5. Stakeholder engagement

Nr.	Disclosure	UNGC	SDG
102-40	<p>List of stakeholder groups</p> <p>Corporate social responsibility involves seeking regular dialogue with internal and external stakeholders. In this active and transparent dialogue, we endeavour to meet the expectations and needs of our stakeholders, to incorporate them into our corporate strategy and to present our own points of view. We maintain a dialogue with the following stakeholder groups in particular:</p> <ul style="list-style-type: none"> • Academic and research institutions • Civil society • Competitors/financial sector • Customers • Employees • Media • Non-governmental organisations • Politicians • Shareholders/investors • Suppliers 		
102-41	<p>Collective bargaining agreements</p> <p>In Germany, the right to organise is guaranteed by fundamental law. The trade unions regularly inform employees of their rights and exercise their freedom of association. The salaries of Commerzbank employees covered by collective bargaining agreements are governed by the national collective bargaining agreement for the private banking sector. The salaries of the lowest-paid group of employees are also well above the statutory minimum wage. Thus, we are committed to fair and living wages for all employees. The percentage of employees covered by collective bargaining agreements is 43.7 %. See table showing total workforce at Commerzbank AG Germany by gender and type of employment (GRI 102-8).</p>	3	<u>8</u>
102-42	<p>Identifying and selecting stakeholders⁰</p> <p>Commerzbank maintains relationships with all organisations and groups that come to the Bank with requests, wishes or suggestions. Our main focus is on dialogue with stakeholders that have a strong influence on or are strongly affected by the economic, environmental or social performance of Commerzbank.</p>		
102-43 102-44	<p>Approach to stakeholder engagement and Key topics and concerns raised</p> <p>The dialogue on the key social, economic and fiscal issues is of utmost importance to us. The following forums, and the projects and initiatives resulting therefrom constitute a selection of strategic communications activities with our stakeholders.</p> <p>Customers</p> <p>The Group's units actively engage with customers so as to systematically consider their interests. Using various formats, experts engage with customers to ensure that their ideas and suggestions are taken into account when developing products and services. Commerzbank's "UX Studio" supports this process with insights into user requirements and needs. UX stands for "user experience", thereby referring to the user's experience prior to, during and after using a product. In UX research studies, customers, non-customers and employees are involved at an</p>		<u>12</u>

early stage throughout the development process and in live operations to ensure Commerzbank's customer centricity. Comdirect relies on the "Comdirect Community" Internet platform for customer involvement, where customers and people interested in financial markets can exchange information with the Bank about products and other financial topics.

In our private customer segment, too, the present and future aim is to focus activities, products and processes on customers and to meet their needs with a high standard of quality. To this end, customer feedback is continuously recorded via various contact channels. One of the measures used is the Net Promoter Score (NPS), an internationally recognized standard for evaluating customer satisfaction. The majority of Commerzbank customers (57 percent) are promoters of their bank branch in terms of the NPS.

The focus of the 2020 small-business customers survey was on how entrepreneurs handled the coronavirus pandemic and crisis management. The survey covered around 3,500 freelancers, craftspeople and tradespeople throughout Germany with annual turnover of up to 15 million euros. These included both Commerzbank customers and customers of other banks. The results show that almost half of all entrepreneurs in Germany were hit hard by the coronavirus crisis. One in four took advantage of government support in the form of subsidies from a state development bank during the crisis – in most cases this was less than 10,000 euros. However, companies can also take away something positive from the coronavirus crisis: Just under 40% said that their innovative strength increased, and at least one in three is using new technologies.

In another study on the same topic, small-business customers from Commerzbank's own customer panel were surveyed at the beginning of November 2020. At the time, three-quarters of them were convinced that the worst of the pandemic was not over and things were not yet looking up. To keep their businesses afloat, small-business customers are expanding their online and remote offerings, restructuring their companies, increasing their advertising spending and taking steps to manage liquidity.

SME topics are at the heart of Commerzbank's "Unternehmerperspektiven" initiative (Business Owners' Views). Once a year it surveys 2,000 owners and managers at the first management level from companies with an annual turnover of above 2 million euros. The focus in 2020 was on sustainability. A study entitled "Wirtschaft im Umbruch: Die Chancen des Green Deal" ("Economy in Turmoil: Opportunities of the Green Deal") examined the sustainability strategies of SMEs between November 2019 and March 2020. Due to the coronavirus crisis, it was not released before April 2021. A follow-up survey of 700 companies was conducted from July to October 2020 to determine the impact of the pandemic on sustainability strategies. The interactive events took place after its publication in April 2021. We were initially focusing on digital formats in which participants had the opportunity to discuss the study results with experts from business, associations, politics and science. The aim was to develop ideas on how the topic of sustainability can be a successful component of corporate strategy. As soon as crisis-related conditions allow, dialogue

events are planned throughout Germany at which entrepreneurs can exchange ideas in person and make new contacts.

In Commerzbank's corporate customer segment, topic-specific customer surveys are regularly used to further develop the range of offers. In this way, we gain insights into customer needs and requirements, which are then incorporated into the design of products and processes. The aim here is to align product optimization and innovations, for example in the context of digitalization, with customer benefits, and to develop new service offerings in relation to sustainability for instance. Further surveys provide information on how satisfied corporate customers are with the support they receive in this segment and what their wishes and expectations are in terms of cooperation with the Bank.

Shareholders / investors

Sustainability rating agencies combine the expectations of investors with regards to the Bank's consideration of sustainability aspects. With interest in these matters growing among our investors, the importance of the sustainability ratings is increasing too. Commerzbank cultivates an active dialogue with selected agencies. The main focus is increasingly on the strategic integration of sustainability aspects into the Bank's core business. In addition, transparent and clear communication helps the analysts in assessing our performance in terms of sustainability. The rating results can be found [here](#).

During the reporting year, the Bank also received around 25 inquiries from analysts and investors with regard to ESG-relevant topics. In addition to general questions on sustainability work, there was also an increasing number of questions on topics such as Coronavirus pandemic management, corporate culture, and the sustainable orientation of the business model.

Further details on communication with shareholders can be found in the [Annual Report 2020](#) (p. 33). In addition, the Chairman of the Supervisory Board is prepared, to an appropriate extent, to engage in discussions with investors on topics specific to the Supervisory Board.

Employees

The committees representing the interests of our employees are the central works council, the central youth and trainee representative council (GJAV), the central representative council of severely disabled persons (GSBV), over 20 local works councils, youth and trainee representative councils (JAV), representative councils of severely disabled persons (SBV) and the company spokesperson committee on behalf of the executives. The interest groups cover all Commerzbank employees with the exception of the Board of Managing Directors, which is not represented.

Employee satisfaction during periods of corporate restructuring is an important yardstick for assessing whether key objectives of our strategy resonate with employees. To this end, Commerzbank has conducted a short survey. We plan to conduct regular employee surveys as part of the new strategy. The

results are intended to deliver a picture of employee sentiment toward the transformation.

In addition to employee surveys, we also rely on our multi-award-winning ideas management system "WikIdee" to encourage our employees to participate in the company's activities. Via this online platform, all employees may submit and discuss suggestions. Some 980 ideas were submitted during the reporting year. The most successful ideas in 2020 included two measures that helped to promote digitalisation and efficiency. One measure involves transfers of foreign exchange positions. Previously, these were processed via the financial advisor, but can now be entered and authorized by the customers themselves as a conversion order via their electronic banking application. With the second initiative, the commission payment of cooperation partners was optimised. Here, an employee programmed an application with which the payments are processed automatically and manual activities are reduced. Both ideas benefit the Bank monetarily and demonstrate employee commitment to the Bank that goes above and beyond the norm.

Supervisory Board

In 2020, a total of 11 conferences and roadshows were held at which investors and stakeholders were able to exchange views with Commerzbank. Furthermore, some institutional investors were able to discuss important corporate governance issues with the Chairman of the Supervisory Board as part of a Corporate Governance Roadshow.

Politics

We have established several event formats for the dialogue with political representatives, most of which could take place only in digital form in the reporting year due to the coronavirus pandemic. These include the "Political Breakfast" in Berlin, at which guest speakers debate social and economic policy issues with representatives from politics, science and business during the weeks in which parliament is in session. Members of parliament and speakers come together at "Mittags:werkstatt" events in Berlin and "lunch:lab" events in Brussels to share specialist knowledge and discuss current affairs. These and further activities can be followed on social media at #Cobapolitics.

The 2°C Global Temperature Target agreed upon at the United Nations Climate Change Conference in Paris in December 2015 poses major challenges to the global community. Under the keyword "Sustainable Finance", science, business and politics are jointly developing the banking business of the future through numerous projects at national and international level. Commerzbank is involved in various initiatives, including the Sustainable Trade Working Group of the International Chamber of Commerce and the Green Finance Working Group at the Institute of International Finance.

We are following with interest the European Commission's action plan on financing sustainable growth and the legislative and non-legislative measures that this plan provides for, as well as its continuation in the context of the "Green Deal". We consider the

proposed initiatives to be of importance and support them favourably, but also constructively and critically, including through our involvement in associations and collaboration with non-governmental organisations. At the same time, we followed with great interest the work of the EU Commission's Technical Expert Group on Sustainable Finance and the Sustainable Finance Advisory Council of the German Federal Government during the reporting year and took a closer look at the recommendations of the TCFD.

Civil society

"SHE VIP" is a networking format created by and for successful women from business, politics, society, media or culture who address matters of socio-political interest. In "Commerzbank in Dialogue", the Chairman of the Board of Managing Directors of Commerzbank debates issues with high-profile personalities from politics or business. No events of these formats took place in 2020 due to the coronavirus pandemic.

Non-governmental organisations

The exchange of ideas and information with non-governmental organisations (NGOs) is important to us for discussing the potential impact of our business activities on people and the environment. In addition, Commerzbank evaluates related studies on a regular basis. In the reporting year, this exchange continued to focus on climate protection and CO2 emissions associated with coal-fired electricity generation as well as on the issue of armament.

Information on the inclusion of stakeholders in the materiality analysis is available under GRI 102-46.

6. Reporting practice

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
102-45	<p>Entities included in the consolidated financial statements</p> <p>This GRI report refers to Commerzbank AG (Germany and abroad). Exceptions are marked as such. The financial performance indicators are compiled at Group level and taken from Commerzbank's Annual Report 2020. For a list of all entities included in the scope of consolidation, please see pp. 303-306 and 319-321 in that report.</p>		
102-46	<p>Defining report content and topic Boundaries</p> <p>In autumn 2018, Commerzbank identified those issues that are material to the company both today and for the future as part of a multi-step materiality analysis. Seventeen sustainability issues were evaluated in terms of their relevance to stakeholders and business success as well as the scope of the impact of business activities on the environment and society.</p> <p>Building on the materiality analysis last carried out in 2015, we analysed studies, standards and ratings and identified potentially relevant issues. A panel of eleven representatives of external stakeholder groups conducted qualitative interviews to set out their expectations of Commerzbank in this regard and prioritise the topics in order of relevance (for selected feedback, see p. 14</p>		

of the [PDF, 6.2 MB](#)). We were also able to determine the scale of the impact of our business through an online survey carried out among employees and managers. The materiality matrix created from the results was discussed and adopted in a workshop by specialists from units connected to sustainability. In the final step, we assigned the respective GRI Standards to the relevant issues and assessed whether the largest potential for making an impact was internal or external.

[Commerzbank AG's materiality matrix](#) (PDF, 42 kB)

102-47 List of material topics

All material topics and the classification of their importance inside or outside the company are presented in tabular form in the following PDF.

[Material topics and classification of GRI Standards](#) (PDF, 25 kB)

102-48 Restatements of information

Whenever possible, the information has not been presented using a new set-up, in order to facilitate a comparison with the previous year. We indicate any restatements of figures we reported in the past in footnotes.

102-49 Changes in reporting

Reporting is based on the materiality analysis from 2018, which means that there are no fundamental changes compared to the 2018 and 2019 report.

102-50 Reporting period

All figures in this GRI report relate to the period from 1 January to 31 December 2020. Information outside this reporting period is marked with the respective date. This is particularly the case in this report with reference to the changes in the organisational structure and strategic goals passed in 2021. The editorial deadline was 15 June 2021.

102-51 Date of most recent report

The last GRI report was published in June 2020 with information relating to the reporting period 2019.

102-52 Reporting cycle

Since reporting year 2014, Commerzbank has released an annual update of this GRI report. All previous publications, reports and magazines are available on the sustainability website.

102-53 Contact point for questions regarding the report

Commerzbank AG
Anna Ritschel
Group Sustainability Management
sustainability@commerzbank.com

102-54 Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: "Core" option.

102-55 GRI content index

The present GRI report also constitutes the GRI content index and was prepared according to the GRI Standards (2016) published by the Global Reporting Initiative (GRI). The exceptions are the updated standard GRI 403: Occupational Health and Safety from 2018 and the new standard GRI 207: Taxes from 2019. Specific disclosures for financial service providers were also taken into account in the section entitled "Sustainable Finance".

102-56

External assurance

The consumption data, the data collection mode and the calculation of CO2 emissions for Commerzbank AG (Germany) have been externally verified by DNV Business Assurance Zertifizierung und Umweltgutachter GmbH since 2009 as part of our environmental management system in accordance with ISO 14001 and since 2016 as part of our energy management system in accordance with ISO 50001. For 2020, the unverified environmental data of Commerzbank AG abroad has also been presented in this GRI report again.

An external verification of the full GRI report has not been performed.

Material topics**1. Economy****GRI 203 Indirect Economic Impacts**

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) As an active part of society, we want to positively shape our environment. The Bank primarily lives up to this responsibility through the positive impact of its financial services on the economy and through its role as an employer and taxpayer. We also consider the range of high-quality financial services that we offer to be an important contribution by our Bank to society's infrastructure.</p> <p>At the same time, we are committed to education in financial matters. Since January 2020, for example, the <u>Commerzbank Ratgeber</u> (Commerzbank Guide) has been offering help on financial topics and more. With around 140 articles now, it has already had over 170,000 visits from interested readers since its launch.</p> <p>Our nationwide branch network is one of the densest among private banks in Germany. Commerzbank will retain a nationwide presence in Germany, as our branches are an important part of our growth strategy. For more information, please refer to the <u>Annual Report 2020</u>, page 89. At the same time, interaction with our digital services is becoming ever more important. Since 2016, we have been working in the branch business with our multi-channel platform "One", available to both customers and advisors, through which we can be reached day and night thanks to our customer centers as well as mobile and online banking services. With the consequent expansion of our digital services, we are simplifying access to the Bank under the slogan "The bank at your side". Thus, we have introduced additional self-service services for our clients, such as the online loan payout order and the</p>		<u>9,</u> <u>10</u>

settlement of attachments, which corporate clients can now easily commission themselves digitally.

To make our offers available to all interested parties, we place great emphasis on designing our branches and online offers to be easily accessible. Around two thirds of our branches are accessible at ground-floor level. Whenever we remodel a branch or install ATMs, we make sure that access is available to as many user groups as possible. All Commerzbank automated teller machines have been fitted with a "read out" function for visually impaired clients who wish to make payments.

The Bank has set itself targets for even greater financial inclusion. This includes plans to ensure that at least 70% of our clients are still within ten kilometres of the nearest Commerzbank branch in the future. In addition, the Bank strives to use the most understandable and solution-oriented language possible in customer communications and applies the Hohenheim Understandability Index for German texts, among other criteria, to product information and other communication tools.

The coronavirus pandemic poses enormous challenges for our customers – and for us, too. Access to financial services plays an important role here, especially under difficult external circumstances. Although a large number of branches had to close temporarily, our customer advisors were still available. The use of digital channels has been expanded so that customers can carry out banking transactions regardless of branch openings or their personal state of health. In all regions, on-site service was continuously maintained at larger locations under special hygiene precautions. In addition, the self-service zones remained open at all locations.

203-1 Infrastructure investments and services supported

4,
11

For our commitment to society, we maintain many links to the environment we operate in. Numerous projects and initiatives launched in cooperation with partners from politics, business and society are helping to solve concrete problems. The Bank places a particular focus on corporate volunteering: It encourages and enables staff to contribute to society by giving them time off or providing facilities, for example. Our employees' personal involvement benefits social development and improves the quality of life for disadvantaged people. At the same time, it motivates employees and fosters a culture of understanding in the workplace.

For example, Commerzbank's employees support young people on their way to working life as mentors in the education mentor programme. The objective is to prevent school and training breaks offs and show perspectives. Experts who are already successfully active in youth promotion prepare the sponsors in multi-day workshops specifically for their voluntary task and accompany them during the sponsorship. They are excused from work with pay to receive the necessary qualifications for these roles. In 2020, the programme was available nationwide, and took place with 30 local partners. The programme registered almost 50 new participants in the year under review. Since the programme launched in 2013, around 430 Commerzbank employees have helped more than 700 young people as education mentors with their first steps into working life.

The traditional Maltese Social Day had to be cancelled in 2020 due to the coronavirus pandemic. However, Commerzbank employees again had the opportunity to participate in the so-called spare cent donation, which rounds pay down to the nearest full euro amount and donates the difference. The 5,150 employees involved in the fourth year of the loose change initiative donated over 31,000 euros to benefit social organisations.

Commerzbank aims to make a contribution towards general financial education, especially at school level, and supports the business@school project, among others. This Boston Consulting Group education initiative seeks to present business issues in a vivid and practical way. It gives sixth-form students the opportunity to engage with business and economics in greater depth over the course of a year. In the 2020/2021 school year, 31 Commerzbank employees volunteered as school advisors. Senior managers also take part voluntarily as judges for the regional heats and European final.

For more than 30 years the initiative "Das Grüne Band" (the Green Band) exists: together with the German Olympic Sports Confederation (DOSB), Commerzbank annually awards prizes of 5,000 euros each to 50 sport clubs that have been noted for their exemplary promotion of talented players and for their youth work. So far, almost 2,000 sport clubs have benefited from the initiative.

The German Football Association's (Deutscher Fußball-Bund – DFB) Junior Coaches project aims to bring football more to schools to educate young coaches and thus ensure a sustainable improvement in the coaching situation in clubs and associations. Commerzbank has been supporting the DFB Junior Coach as a national project partner within the framework of the DFB partnership since the start of the project in 2013, making an important contribution to strengthening voluntary work. Every year, about 3,000 young people from the age of 15 are trained at around 200 schools. Local Commerzbank mentors provide support by helping them prepare for working life: by organising job application workshops at the schools and assisting them in finding internships at Commerzbank branches.

Since as early as 1990, Commerzbank has been offering, together with the German national parks, the Commerzbank environmental internship to students with an interest in this area. Every year, it provides up to 75 students with practical content in the fields of environmental education and public relations in nature reserves throughout Germany. We organise and finance the environmental internship; the nature reserves provide the specialist support. Since its start, more than 1,800 interns have been involved in one of the participating national parks, biosphere reserves or nature parks. They inform visitors to the protected areas about the importance of the national natural landscapes for the severely endangered biodiversity and contribute to greater awareness of environmental and climate protection.

Commerzbank donated a total of around 212,000 euros to different institutions and organisations in the past financial year.

For more information about Commerzbank's commitment to society, please see the Annual Report 2020 (p. 84 et seq.)

Various foundations supported or sponsored by the Group also make an important contribution to the sustainable development of society. The common goal of all foundations is to make a lasting contribution to the further development and future viability of society. The funding priorities are as follows:

- As a corporate foundation, the Commerzbank Foundation stands for the social responsibility of its founder. Its motto stands for "Participation creates the future". With its independent foundation, Commerzbank is committed to a sustainable commitment as a "good citizen" for the community that goes beyond its actual business activities. Since its establishment in 1970, the Commerzbank Foundation has built up many sustainable partnerships and has thus established itself as a solid sponsor in Germany. In the more than 50 years of its existence, it has supported well over 1,000 projects in the fields of culture, social affairs and science. Its partnership network ranges from museums and theatres to non-profit social organisations and scientific institutions. Its support focuses on the transmission of cultural heritage, social participation for disadvantaged people and incentives for young scientists.
- The foundation commitment at Commerzbank is complemented by the activities of the seven charitable foundations that support different target groups. Four of the foundations provide financial support throughout Germany to employees and retired members of the bank, who are in distress through no fault of their own. Three regional foundations also enable needy and eligible apprentices of Commerzbank to commence their apprenticeship or support needy employees, pensioners or survivors of employees in their respective districts.

Decisions on which projects to support are taken by the individual foundation's board of trustees in accordance with the objectives of the foundation concerned.

The endowment capital of each and their sponsorship volumes in the year under review are shown in the following tables.

Sponsorship volume of foundations supported by Commerzbank
(PDF, 26 kB)

Endowment capital of foundations supported by Commerzbank
(PDF, 26 kB)

In 2020, these foundations received a total of around 707,000 euros in support from Commerzbank for staff, workplaces and other material costs.

GRI 205 Anti-corruption

Nr.	Disclosure	UNGC	SDG
GRI 103	Management approach (including 103-1, 103-2, 103-3) To combat bribery and corruption, we do not only take existing statutory obligations into account, such as the UK Bribery Act or	10	16

the US Foreign Corrupt Practices Act. We also adhere to the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises and comply with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. We also consider the recommendations of the Wolfsberg Group, an association of 13 global banks which aims to develop frameworks and guidance for the management of financial crime risks. Moreover, Commerzbank has committed itself to the UNGC with its 10 principles – including the principle ten to arise against any kind of corruption.

These external standards are concretised and supplemented with internal guidelines. Together they form the framework for Compliance Management for combating corruption. This includes the binding code of conduct that provides a framework for correct and ethically appropriate conduct in the day-to-day working environment. Through its Global Anti-Bribery and Corruption Policy (ABC Policy), Commerzbank seeks to combat bribery, the acceptance of advantages and other forms of corruption. It applies both within and outside the Group and in dealings with trade organisations, public officials and persons who have a relationship with Bank companies. The Global ABC Policy includes further individual measures that are valid throughout the bank, such as reliability checks of potential employees or specific requirements in the range of gifts and invitations. In addition, our business partners are continuously checked for corruption-relevant hits in commercial databases on a risk basis during the initiation of business and also in the course of the business relationship. Newly negotiated contracts between Commerzbank and service providers have included a binding integrity clause for several years.

Commerzbank has introduced central prevention systems for the Group in order to identify, monitor, reduce and, if possible, avoid such risks. These include annual compliance-risk analysis and the associated implementation of new measures. Prevention also includes compliance audits as well as special checks in respect of the effectiveness of key compliance processes and the continuous evaluation of the controls' efficiency.

Regular internal and external communication, diverse training further training formats, as well as the Global Code of Conduct, and other concrete procedures and process descriptions complete these measures.

It is the highest principle to meet all economic criminal acts with zero tolerance. This means that all potential violations will be investigated and punished within the framework of the legal possibilities. For this reason, we welcome any relevant information. In addition to the tried-and-tested contact channels, such as via the compliance department, Commerzbank has set up a whistleblowing platform ("Business Keeper Monitoring System", BKMS). Customers, employees and third parties can use this online system to report any suspicions of financial crime or any violations of statutory, regulatory and internal instructions at Commerzbank, and they may opt to do so anonymously. Anyone who reports in good faith and to the best of his or her knowledge shall, to the extent possible, be protected by applicable law against unfair treatment, dismissal or other detriment as a result of his or her disclosure, even if it becomes apparent in the course of the investigation that the reported suspicion is unfounded.

The coordination of the violations reported herein is carried out by the central office pursuant to § 25h of the German Banking Act (KWG). These are processed by the respective responsible and specialised internal departments, subject to the principles of confidentiality. Due to the diversity of the reported cases and the different parties involved, there are several specialised and thus processing departments. Consequences depend on the case and can include both civil and criminal steps. If internal employees are involved in the crime, these cases are transferred to the consequences management (please see GRI 419/103).

We launched a conflicts of interest management system (Conflict-of-Interest-Tool) to prevent or adequately resolve potential conflicts of interest, which is strongly used in the corporate client segment, for example. It gathers and reviews data from around the world concerning transactions in the corporate client or capital market segment. We strongly oppose attempts at market manipulation and are committed to preserving the integrity of the markets and our clients' need for protection.

205-1 Operations assessed for risks related to corruption 10 16

Management is based on the compliance risk strategy, which calls for the group-wide compliance risk analysis as a central instrument for evaluating and mitigating potential compliance risks. It is carried out once a year and covers all segments, locations abroad and other group-related or dependent companies in Germany and abroad, that are classified as compliance-relevant. For the year 2020, 41 (100 %) of the 41 domestic and foreign corporate units relevant under the "Fraud and ABC Risk Analysis", including relevant subsidiaries, were audited for potential fraud and ABC risks and the associated control environment (2019: 41/41).

The annual risk analysis, which covers all compliance issues, includes a dedicated section on corruption, which assesses the relevant risks and evaluates control activities carried out by these entities. The potential corruption risks considered in the risk analysis essentially comprise benefits (gifts and invitations), business partner compliance as well as donation activities, personnel processes and payment processes.

The preventive measures derived from the risk analysis are supported during implementation, regularly reviewed for their effectiveness, and supplemented as necessary. In order to stay ahead of the constantly increasing complexity of national and international legislation and regulations, we monitor them and continually develop our compliance risk management, adjusting it to current developments and challenges.

In addition, a targeted review of bribery and corruption risks was conducted in the bank's 29 representative offices located worldwide from the end of 2020 to the beginning of 2021 (the 30th representative office was closed at the end of 2020). These are non-operational offices responsible for contacts with customers to financial institutions and are mainly located in countries where Commerzbank has no operational presence. In addition to risks, compliance governance, as well as established processes and controls for corruption prevention were reviewed and assessed.

205-2 Communication and training about anti-corruption policies and procedures 10 16

To provide employees with support in implementing the policies, the Group conducts ABC trainings. The mandatory anti-corruption training is completed annually by all employees and managers. Business and functional units with heightened risk profiles and individuals in positions at Commerzbank, which are exposed to an increased risk of bribery and corruption, also receive targeted, needs-based training.

Staff members have been appointed in all German units and at the foreign locations to act as local contacts for ABC subjects. The Supervisory Board also undergoes annual training by the Chief Compliance Officer on compliance-relevant topics.

Policies, instructions and procedures relating to the fight against bribery and corruption as well as other compliance-relevant topics under the responsibility of Group Compliance are published on the internal Compliance Policy Portal, which is available in two languages worldwide. Local specifics are also coordinated and published here in the form of addenda. The relevant users will be informed of changes to the regulations by the system via a notification function. In addition, the Bank's intranet is used to provide targeted information on sub-items of the ABC policy, e.g. in 2020, guidance on gifts and invitations was published, which took into account special features in the context of the pandemic and the associated home office regulations.

205-3	Confirmed incidents of corruption and actions taken Commerzbank explicitly does not tolerate corruption or other criminal acts by employees. The Bank has a zero-tolerance approach to criminal offences. Any employee who is proven to have breached this principle will face the full consequences under employment, civil and criminal law. We are not aware of any cases of corruption in the Commerzbank Group in 2020, just like last year.	10	<u>16</u>
--------------	--	----	-----------

GRI 207 Tax

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	Management approach (including 103-1, 103-2, 103-3) The Bank's tax strategy is derived from, among other things, the understanding of the Group as set out in the corporate constitution of Commerzbank. The principle that Commerzbank sees social acceptance of its activities as the basis for economic success is also of particular importance for its tax strategy. We are convinced that, in this context, compliance with the applicable tax laws plays a particularly important role. Commerzbank conducts its business activities in accordance with this requirement in all jurisdictions and markets in which it operates. This applies not only to its own interests, but also to the interests of customers, employees, and business partners insofar as they affect Commerzbank. As a legal entity with its registered office and management in Germany, Commerzbank AG is subject to unlimited tax liability in respect of its entire global income. In addition, it is subject to limited tax liability abroad with its respective branches and local income. Commerzbank is also subject to extensive tax obligations	10	<u>16</u>

in respect of its business relationships with its customers and business partners.

Tax liability also entails tax risks. These risks are compounded by the complex tax environment in which the Commerzbank Group operates worldwide, which often requires interpretation. In addition, tax risks arise from uncertainties regarding the correct tax treatment in a wide range of jurisdictions due to rapid change, caused among other things by international requirements with national implementation as well as technological developments with which the national and international standard setters can only keep pace to varying degrees.

In order to take account of the zero-tolerance approach regarding tax offences, Commerzbank has established numerous internal management and control systems - tax compliance programmes - as well as a tax compliance management department to identify and minimise tax risks.

207-1 Approach with regard to taxation

16

In accordance with our Code of Conduct, we reject any form of tax evasion, whether it involves our customers, our company or our business partners, regardless of the infringement. It is therefore our utmost priority to comply with the applicable laws and regulatory provisions to combat tax evasion and other tax offences in the markets and jurisdictions in which we operate. These principles as well as tax legitimacy aspects are taken into account in all business actions and decisions. As a result, we have implemented a tax compliance programme to combat aiding and abetting tax evasion based on the UK COO (Corporate Criminal Offence of Failure to Prevent Facilitation of Tax Evasion).

In addition, our conduct is geared towards avoiding offences against tax law with the Tax Compliance Management System (TCMS).

Furthermore, we do not support customers in avoiding taxes, even if it was covered by the wording if this is contrary to the intention of the respective law. We also pay attention to tax compliance when designing new products.

We also comply with tax transparency regulations and initiatives, e.g. Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS), US Qualified Intermediary (QI), and country-by-country reporting (please see GRI 207-4).

The TCMS ensures that internal and external regulations are adhered to and that undesirable tax practices are identified and eliminated at an early stage. The aim is to fulfil our tax obligations fully, correctly and in a timely manner, thus avoiding compliance-related tax risks. Through its function as Global Functional Lead (GFL), Group Tax ensures that a uniform understanding of the tax strategy prevails at all Commerzbank locations and that the tax strategy is implemented accordingly. The respective competencies and responsibilities are clearly defined (e.g. in job descriptions), and the main processes are documented in the Bank's rules and regulations. This ensures tax compliance throughout the Bank. These principles and approaches are mandatorily enshrined in Commerzbank's internally published tax strategy, which applies to the entire Group. It is regularly reviewed by the Global Head of

Group Tax and concretised in various individual guidelines. In addition, the UK Tax Strategy under the UK Finance Act 2016 applies to the UK. The Group-wide tax strategy defines a global framework for the entire Commerzbank Group, while the UK Tax Strategy focuses on the UK in order to comply with the aforementioned UK law.

Commerzbank's business model is not aimed at operating actively in tax havens. As of the end of 2020, no branch office is located in a location that is on the "Common EU List of Third Countries for Tax Purposes".

207-2 Steering, control and risk management with regard to taxation

16

The responsibility for meeting tax obligations at Commerzbank AG rests first and foremost with the full Board of Managing Directors. The Board of Managing Directors' assignment of responsibilities provides for this responsibility to be assigned to the CFO, who, in turn, delegates it to the Global Head of Tax. The Global Head of Tax is responsible for Group Tax and, via the GFL, for tax issues within the Group (see GRI 207-1).

Tax risks are identified, managed, and monitored in accordance with Commerzbank's Tax Policy on Risk Management (TRM). TRM serves as an early-warning system for tax risks and is intended to identify and evaluate them in accordance with the principles of IAS (International Accounting Standard) twelve. In addition, TRM allows for the precise understanding of the tax risks existing within the Group in order to derive the necessary mitigating measures. Tax risks which also meet the criteria of operational and non-financial risks are additionally included as such in operational risk reporting and in the management process for non-financial risks.

Commerzbank's Tax Compliance Management (TCM) takes into account the seven pillars of the IDW Assurance Standard 980 and the corresponding "IDW Practical Note 1/2016" ("IDW Praxishinweis 1/2016") regarding TCM design. This includes the implementation of web-based and other tax compliance training as well as an continuous analysis of the tax compliance risk, from which the necessary measures are derived.

Compliance with tax legislation and the corresponding control framework is monitored at several levels. On the one hand, risk-oriented TCM measures are selected for each year and implemented during the year. The results are presented to the Board of Managing Directors and the Audit Committee. On the other hand, all existing controls are subject to the annual cycle for reviewing the internal control system in order to assess their appropriateness and effectiveness. In addition, recurring tax compliance audits are conducted by the Group's internal Audit Department.

Incidents or suspected cases of tax fraud can be reported to the Bank internally or by third parties using the established communication channels of the compliance function. These include the whistle-blowing system (see GRI 205/103) or Suspicious Activity Reporting (SAR).

Tax reporting in the annual report is audited by the auditor as part of the audit of the annual financial statements.

207-3 Stakeholder engagement and management of concerns related to tax16

The concerns of stakeholders are addressed as part of regular communication, e.g. in meetings and in reporting. Significant tax issues and projects are also presented to the Board of Managing Directors for information or approval. In order to take the perspectives of the various stakeholders into account in the decision-making process, external expert opinions are also obtained as appropriate.

To ensure partnership-oriented cooperation with the tax authorities, Group Tax maintains an intensive, transparent and constructive exchange with the responsible tax authorities on local, state and federal level. Contacts are also maintained with the finance ministries.

Group Tax also actively participates in the tax committees of various institutions, e.g. the Association of German Banks (BdB) and the Chamber of Industry and Commerce, in order to identify tax law trends in good time and to be able to react to them. Regular or at least incident-related cooperation is also maintained with the banking supervisory authorities.

The public prosecutor's offices in Frankfurt and Cologne are investigating certain equity transactions conducted around the dividend record date (so-called cum-ex transactions) by Commerzbank and the former Dresdner Bank in the past. Commerzbank is cooperating fully with the investigating authorities within the scope of these investigations. Further information can be found on pages 154 and 275 of the [Annual Report 2020](#).

207-4 Country-by-country reporting16

Commerzbank reports in detail on its tax position as part of its IFRS annual reporting. One part of this is country-specific reporting. This includes all countries in which Commerzbank is represented with tax-relevant units and is described in the [Annual Report 2020](#) on p. 297 et seq. Detailed information on the names of the companies domiciled in the countries and their business purpose can be found in the Notes "(74) Holdings in affiliated and other companies" in the [Annual Report 2020](#) p. 303 et seq.

[Country-specific reporting](#) (PDF, 27 kB)

2. Environment**GRI 302 Energy**

Nr.	Disclosure	UNGC	SDG
GRI 103	Management approach (including 103-1, 103-2, 103-3) Operational environmental protection and the systematic reduction of resource consumption at Commerzbank are key components of our sustainability concept. In order to reduce the Bank's environmental footprint, in 2020 we continued working on the various measures for implementing our climate strategy (see GRI	7-9	<u>7</u> , <u>12</u> , <u>13</u>

305/103) and on continuously refining our certified environmental and energy management system. This concerns the areas of energy, emissions, resource consumption and environmental compliance.

As Commerzbank regards environmental protection as a managerial responsibility, all managers – top-down, beginning with the Board of Managing Directors – are accountable for the implementation of the environmental targets we have agreed. The Chief Operating Officer (COO) is responsible for environmental matters within the Board of Managing Directors. Environmental and energy management falls within the remit of the Group's Organisation & Security unit, which reports directly to the Board of Managing Directors. Operational environmental protection is also closely connected to many other departments to ensure that Commerzbank's environmental guidelines are applicable to all areas of the Bank and to influence the Bank's business activities. Environmental- and energy-related measures are decided through line functions leading through to the full Board of Managing Directors. The environmental and energy management system and its regular reports give the full Board of Managing Directors a broadened basis for their decision-making. Through its environmental guidelines, Commerzbank has defined and published clear rules for conducting business in an environmentally responsible way.

Commerzbank and its 13 subsidiaries have an integrated environmental and energy management system. The system has been certified by DNV Business Assurance Zertifizierung und Umweltgutachter GmbH in accordance with the ISO 14001 and ISO 50001 standards. In 2020, the system covered 95 % of Commerzbank's electricity and heating energy consumption domestically and abroad.

A wide range of sources serve as the basis for calculating the environmental data of Commerzbank AG outside Germany, but in some cases, no data is available. In these cases, projections or estimates were made using suitable benchmarks. This mainly concerned water consumption and the volume of commercial municipal waste. Yet, the data is still incomplete and cannot be compared to the data collected for Commerzbank AG in Germany in qualitative terms. The figures for staff commute in locations abroad were not calculated as in the previous year, as the necessary statistical base data is not available. External verification is targeted by the reporting year 2023. An assessment of the foreign branches has been carried out and DNV Business Assurance Zertifizierung und Umweltgutachter GmbH is already involved in the verification process.

Commerzbank's approximately 1,100 buildings in Germany have been supplied completely with green electricity since 2013. Our energy suppliers duly enter the guarantees of origin for our green electricity in the register of guarantees of origin, which excludes the possibility that a guarantee could be sold to the consumer more than once. These comprise European Energy Certificate System (EECS) guarantees of origin from hydroelectric plants that are not older than seven years and wind power plants (maximum share 20 % per year).

One of our sustainability targets in "Environment: Energy and

emissions" was to cut energy consumption by 8 % by 2020 compared to the base year 2014. In 2017, we already exceeded this target. Two new energy targets were set in 2020. It is planned to reduce total energy consumption by an average of 2 % per year by 2025 compared to 2018. By the end of 2020, 11.6 % had already been saved compared to 2018. In addition, electricity consumption per full-time employee is to be kept constant until 2025 compared to the base year 2018 - despite increasing digitalisation. This goal has also been achieved to date. Specific electricity consumption was even reduced by 4.2 % compared to 2018.

Commerzbank participates together with other Frankfurt-based companies in the "Energieeffizienz-Netzwerke" (Energy Efficiency Networks Initiative), organised jointly by the Federal Government and business associations and organisations. Besides implementing energy-saving measures, this project is also focused on facilitating intensive dialogue between the companies involved with the assistance of independent energy adviser.

302-1	Energy consumption within the organisation	7, 8	<u>7,</u> <u>12,</u> <u>13</u>
<p>At Commerzbank AG Germany, approximately 65 % of heat energy is obtained from natural gas and around 33 % is obtained via district heating. For the carbon footprint, the environmental data for the German and the foreign branches are recorded separately. Outside Germany, nearly 71 % of heat energy is generated with natural gas. The Amsterdam location is heated by a heat pump, which is supplied with green electricity. Oil heating appliances are gradually being replaced by more environmentally friendly systems and now account for only a very low percentage of our total heat generation: Heating oil as a source of heat energy stands at around 1.5 % in Germany. No oil heating systems are operated at the international locations.</p>			
<p><u>Direct energy consumption at Commerzbank AG (PDF, 26 kB)</u> <u>Energy consumption (electricity and district heating) by Commerzbank (PDF, 26 kB)</u></p>			
302-4	Reduction of energy consumption	8, 9	<u>12,</u> <u>13</u>
<p>The year 2020 was characterised by the restrictions due to the coronavirus pandemic. As a result, Commerzbank's energy consumption was reduced by around 19.8 % compared to the previous year. A significant contribution to this was made by included fuels, which fell by 43.6 % due to pandemic-related restrictions on business travel.</p>			
<p>Indirect energy consumption decreased by 13.1 %. This was due to a significant increase in the proportion of home offices (estimated at 40 % worldwide) as well as measures controlled by the energy management system, such as optimisation of air conditioning, lighting, operating hours and IT infrastructure. Electricity consumption in the home office was considered for the first time and, at 2,033 MWh, accounts for 1.2 % of total electricity consumption. Contrary to the global decline in energy consumption, heating energy consumption at the foreign locations increased slightly by 3.6 %. This is mainly due to the increase in employees in Lodz (Poland) and the new location in Sofia (Bulgaria). Nevertheless, electricity consumption was also reduced by more than 8 % abroad.</p>			
<p>Global business travel collapsed by 60 % due to the global travel</p>			

restrictions. Air travel in particular came to a virtual standstill with a drop of almost 87 %. Rail business travel was down by a good 68 % and car business travel fell by 42 %. This pandemic-related development was supported by an expansion of digital communication services, e.g. video conferencing.

GRI 305 Emissions

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) The overarching approach to environmental and energy management regarding the Bank's operations under 302 also applies to 305.</p> <p>The remaining emissions that are difficult to avoid (including staff commuting to and from work) have been offset since 2015. Commerzbank AG's operations in Germany are therefore <u>climate neutral</u>. Additional details on climate neutrality and criteria for selecting projects as well as <u>cancellation confirmations</u> for certificate purchases in 2020 are available on our sustainability portal.</p> <p>A systematic analysis of the sources of emissions as well as knowledge of our own carbon footprint is essential when determining the emissions reduction potential and for the introduction of effective measures. Commerzbank is therefore moving away from eco-controlling in favour of CO2 accounting, which involves implementing CO2 substitution measures, such as the gradual switch to green electricity and projects to reduce CO2.</p> <p>Our business travel guidelines for Germany and international travel generally oblige us to comply with ecological principles. In Germany, for example, rail is the preferred means of travel. Domestic air travel should be avoided whenever possible. Internationally, the use of alternatives (e.g. telephone and video conferencing) and the combination of several travel appointments is particularly emphasised. Audio and video conferencing systems support direct conversation and document exchange even without travelling. These media can also be used on the move, e.g. when working from home. With the digital workplace transformation, line capacities for home office use were massively expanded and software rollouts were given higher priority.</p> <p>In the current version of the Bank Vehicles Guidelines from January 2020, the maximum CO2 emission has been reduced from 175 to 160 g/km. In addition to classic diesel and petrol vehicles, vehicles with hybrid, hydrogen and natural gas drive systems as well as electric vehicles can also be selected. Through bonuses and penalties, the guidelines for Bank vehicles creates clear incentives for a more environmentally conscious selection of company cars to be leased. With the new International Car Policy (since 01/2021), this successful bonus-penalty system is now valid worldwide. At the head office in Frankfurt, a total of 14 charging points are available for Commerzbank employees' private electric vehicles.</p> <p>The new corporate car sharing concept has replaced Commerzbank's pool car management and is characterised by fuel-efficient models available throughout Germany. The vehicles comply with the latest emissions standards (EURO 6d temp) and</p>	7-9	<u>12</u> , <u>13</u>

ensure use even in the event of possible driving bans in inner cities. The average CO₂ emissions are to be reduced to below 100 g/km - also by offering electric vehicles (see GRI 305-5). With the corporate car sharing concept, the vehicle fleet is also kept up to date with the latest safety technology. Due to the heterogeneous requirements internationally, the corporate car sharing model only exists domestically.

Furthermore, we provide our employees with special bicycle offers for a climate-friendly alternative to driving or public transport. On the one hand, Commerzbank employees can purchase high-quality bicycles, pedelecs or other e-bikes for private and business use via Bikelease. On the other hand, since 2020, Call a Bike bikes have been available to all Commerzbank employees throughout Germany for business travel. Employees' rail travel and the use of the BahnCard have steadily declined in recent years due to digital alternatives (offering technically improved communication media). Due to the pandemic, the number of rail tickets fell particularly sharply by more than 50 %. Nevertheless, the domestic business trips by rail with 100 % green electricity continue to make an additional contribution to environmental and climate protection. To promote the use of public transport, employees of AG Inland have been receiving a monthly subsidy for their monthly or annual ticket since April 2020.

After Commerzbank's climate target of 70 % CO₂ savings in Germany compared to 2007 was already achieved ahead of schedule in 2018, the bank had adopted a new climate target in 2020: CO₂ emissions are to be reduced by an additional 15 % by 2025 (base year 2018). As part of the Net Zero commitment made in May 2021 to reduce the net CO₂ emissions generated in its own banking operations to zero by 2040, the interim climate target was adjusted from a 15% to a 30 % reduction by 2025. This is also intended to ensure compliance with the 1.5 degree target under the Paris Climate Agreement. The new climate target includes international Commerzbank locations in around 20 countries for the first time. In 2020, a reduction in global CO₂ emissions of 30.1 % was achieved compared to the base year 2018. From the reporting year 2022 onwards - after the pandemic has been overcome - CO₂ emissions are expected to rise significantly again. Unavoidable emissions will continue to be offset by the purchase of CO₂ certificates so that the bank's operations remain climate neutral. In addition, further short-, medium- and long-term goals are being developed that take into account various environmental aspects at domestic and international level.

305-1 Direct (Scope 1) GHG emissions

7, 8 12,
13

Commerzbank measures its greenhouse gas emissions in accordance with the standard developed by the German Association for Environmental Management and Sustainability in Financial Institutions (VfU). This standard is based on international environmental and climate reporting standards such as the Greenhouse Gas (GHG) Protocol, CDP and the Global Reporting Initiative (GRI). The emissions are calculated as CO₂ equivalents, which means that apart from CO₂, other greenhouse gases, such as methane (CH₄) and nitrogen oxide (N₂O), are also accounted for in the calculation, and their detrimental effect on the climate is converted into the CO₂ reference value. In our reporting on CO₂ emissions, we distinguish between Scope 1 (all direct GHG emissions), Scope 2 (indirect GHG emissions from consumption of

purchased energy) and Scope 3 (all other indirect emissions from services rendered by third parties, as well as upstream and downstream processes) in accordance with the Greenhouse Gas (GHG) Protocol. The consumption data, the data collection mode and the calculated CO2 emissions have been verified since 2009 by the external company DNV Business Assurance Zertifizierung und Umweltgutachter GmbH.

In 2020, the CO2 emissions of Commerzbank AG Germany decreased significantly by 33,318 tonnes or 30.6 % compared to the previous year due to the pandemic. For Germany and abroad, the decrease was 32.2 %. The travel activities of our employees traditionally have a major impact on Commerzbank's carbon footprint. With a global share of only 17 % (2019: 25.0 %), the significant decrease due to business travel restrictions is evident. As rail and air travel came to a virtual standstill, 97 % of all business trips made by Commerzbank AG in Germany and 93 % of the AG as a whole were made by car.

[Direct and indirect greenhouse gas emissions \(GHG emissions\) of Commerzbank AG](#) (PDF, 33 kB)
[Carbon footprint at Commerzbank AG by scope](#) (PDF, 26 kB)
[Business travel at Commerzbank AG](#) (PDF, 26 kB)

305-2	Energy indirect (Scope 2) GHG emissions See 305-1.		
305-3	Other indirect (Scope 3) GHG emissions See 305-1.		
305-4	GHG emissions intensity The decrease in CO2 emissions per full-time employee (VZK) to 2.85 tonnes in 2020 (2019: 4.09 tonnes) is mainly due to restrictions during the coronavirus pandemic. Business travel in particular was affected by this. Commuting traffic also decreased significantly – due to the high level of home office activity. <u>Greenhouse gas (GHG) emissions intensity</u> (PDF, 26 kB)	8	<u>13</u>
305-5	Reduction of GHG emissions We are working on further measures that can help us save CO2 emissions. For example, the current 92.5 % share of electricity sourced from renewable sources worldwide is aimed to be increased. Since 2020, we have also taken into account electricity consumption while working from home. Moreover, since the start of 2015, Commerzbank AG in Germany has been climate neutral, thanks to its programme aimed at offsetting all unavoidable CO2 emissions from business operations, including staff commuting to and from work (see GRI 305/103). The amount of GHG emissions (Scope 1, 2 and 3 for Commerzbank AG as a whole) in 2020 was 84,048 tons. This represents a significant decrease of 39,840 tons. At Commerzbank AG Germany, GHG emissions also fell significantly by 33,318 tons of CO2, or slightly under 31 percent, which is why we again exceeded our 2020 climate target. In 2020, CO2 emissions from company car leasing decreased by 43,2 %. The coronavirus pandemic contributed significantly to this. In the case of pool vehicles, no gasoline-powered vehicles have been operated since 2020. Only diesel and electric vehicles are used in the new corporate car sharing concept. Even with the	8, 9	<u>13</u>

transition of the pool vehicle fleet, we make sure to have vehicles with the latest emissions technology in use.

The coronavirus pandemic has given an additional boost to the ongoing digitization of Commerzbank. Business travel restrictions and the requirement to work from home have led to the digital communication offering being significantly expanded and technically improved. This has not only reduced business travel, but also supported a reduced paper consumption of 20.8 % or 878 tons compared to the previous year. Business travel distances decreased by 60 % or 90.4 million km compared to 2019. As a result, emissions from business travel were reduced by 54.3 % or 17,000 tons of CO2 worldwide.

It is expected that, once the coronavirus pandemic has been overcome, business travel and commuting will increase again, yet will not reach pre-crisis levels. Mobile working and the technically expanded and improved communication offer will continue to contribute to environmental protection and reduced CO2 intensity of banking operations in the future.

GRI 307 Environmental Compliance

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	Management approach (including 103-1, 103-2, 103-3) The overarching approach to environmental and energy management regarding the Bank's operations under 302 also applies to 307. Furthermore, compliance with statutory provisions and regulatory requirements is a matter of course for Commerzbank. For more details on the handling of environmental risks, see GRI 102-11.	7, 8	
307-1	Non-compliance with environmental laws and regulations No material fines for non-compliance with environmental regulations were imposed in the reporting period.	8	<u>16</u>

GRI 308 Supplier Environmental Assessment

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	Management approach (including 103-1, 103-2, 103-3) The corporate responsibility of Commerzbank does not stop at internal processes and activities but extends across the value chain. Environmental and social criteria therefore play a key role in deciding on external suppliers and service providers. At Commerzbank, procurement is handled by Corporate Procurement. This central office falls within the remit of the Group's Organisation & Security unit, which reports directly to the Board of Managing Directors. The purchasing and supplier selection processes are audited internally and externally as part of the certified environmental management system. In addition, employees from Corporate Procurement attend meetings of the energy management team, which are held several times a year. We ensure standardised sustainability standards through various policies and processes. This commitment extends to our suppliers and service providers:	7, 8	<u>12</u>

- Commerzbank's Code of Conduct includes the binding provision that the Bank expects its business partners to respect human and personal rights as well.
- Suppliers' compliance with social standards is an integral part of Commerzbank's sustainable procurement standard. All suppliers and service providers who do business with Commerzbank guarantee that they will observe the social requirements specified by this set of rules and agree to impose compliance with the corresponding requirements on their own suppliers and service providers. Violations of the sustainable procurement standard by suppliers or service providers may result in the termination of the business relationship.
- Commerzbank's suppliers and service providers are required to sign the integrity, environment and social responsibility clause, thereby undertaking to act with integrity in their business dealings.
- Compliance with social standards is the focus of annual meetings with Commerzbank's main suppliers.
- Reputational Risk Management also performs ad hoc analyses during the process of selecting suppliers.

308-1	New suppliers that were screened using environmental criteria	8	<u>12</u>
	Providing sustainability-relevant information is an integral part of the standard tender procedure. For quality assurance purposes, we distribute electronic self-disclosure forms for suppliers, which include questions relating to sustainability criteria.		

3. Social

GRI 401 Employment

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Commerzbank aims to offer its staff a working environment characterised by a spirit of partnership. Our human resources policy provides a framework which promotes the development of each individual employee as well as collegial cooperation within the Group – even in a challenging economic setting. At the same time, the Bank has to confront the challenges posed by increasing digitalisation in order to remain viable. The headcount reduction decided upon within Commerzbank in this context was further implemented in 2020 in a socially responsible way and is close to completion. In addition, the far-reaching restructuring measures scheduled to begin in 2021 will lead to further job losses. For details, please refer to the <u>Annual Report 2020</u> p. 5. Here, too, we will do everything in our power to agree on fair solutions for the workforce reductions together with the employee representatives.</p> <p>In addition to implementing the workforce reduction, however, it is also important to position Commerzbank for the future. By focusing on digitalization and implementing the strategic agenda, Commerzbank will increasingly need different skills and job profiles in certain areas in the future. We are therefore positioning</p>	6	<u>8</u>

ourselves accordingly for this target group in order to thus attract suitable experts. At the same time, it is important to counteract demographic change. Initiatives to attract young talent are anchored in the strategic human resources agenda. These include, for example, trainee programs that focus on digitisation or more generalist development. However, the comprehensive range of training opportunities, innovative qualification measures, and the possibility of various development paths are also intended to make the Bank attractive for young talent.

In 2020, the Bank launched a major recruitment campaign for IT graduates. We were able to recruit 100 apprentices or dual students and a further 35 trainees. They are to further drive digitisation. Due to the coronavirus pandemic, we had to break new ground this year. The changed circumstances required a high degree of flexibility, willingness to innovate and speed. Since the face-to-face selection procedures for trainees for recruitment were no longer possible in some cases, we developed remote audits. We also resorted to remote audits or special interview procedures in some cases for our apprentices. Ultimately, we were able to complete the recruitment process successfully and received positive feedback from our new graduates.

In 2020, human resources operations at Commerzbank was under the responsibility of Sabine Schmittroth, a member of the Board of Managing Directors, and was implemented operationally in the Group Human Resources division. The guiding principles of human resources operations include the Group Strategy, the "Strategy for Group Human Resources" and the employee-related goals under the Sustainability Programme completed in 2020.

As in the previous year, surveys also constituted an important element of the feedback culture in the Bank in 2020. Overall, more than 30 surveys were conducted throughout the Bank. These include random sample-based short surveys, project-related evaluations, and comprehensive measurements at divisional or departmental level: For example, various pandemic-related surveys were conducted at international locations, the "NeuLernen" project was accompanied by a Bank-wide evaluation, and a comprehensive quantitative assessment of the Delivery Organisation (the agile organizational part of Commerzbank as opposed to the traditional line organization) was carried out. Internal market research activities also focused on the first wave of transformation analysis as part of the "4People" project. This is a full survey conducted throughout Commerzbank AG with the aim of providing the Board of Managing Directors and senior management with a valid indication of the motivation and sentiment within the Bank on a regular basis.

The targets from the area of employees and details on the achievement of the targets of the Sustainability Programme completed in 2020 can be viewed in the section "Sustainable Corporate Governance".

401-1	New employee hires and employee turnover	6	<u>8</u>
<p>The rate of employee turnover in the year under review was 4.6 %. This amounts to a year-on-year decrease of 0.6 %. The average length of service of employees with Commerzbank AG Germany is around 20 years; 21 % have worked for the Bank for up to nine years, 21 % for between ten and 19 years, and 58 %</p>			

for 20 years or more.

[New hires at Commerzbank AG \(Germany\) by age, gender and region](#) (PDF, 27 kB)

[Employee turnover at Commerzbank AG \(Germany\) by age, gender, region and reason for leaving](#) (PDF, 27 kB)

GRI 403 Occupational Health and Safety

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Health management is another key aspect of Commerzbank's human resources activities: The Bank seeks to promote the mental and physical health as well as the social well-being of its employees. Responsibility for this lies with "Health Management" in Group Human Resources and "Safety Management" in Group Organisation & Security.</p> <p>The specialists for occupational safety from the Safety Management department analyse working conditions on a continuous and holistic basis using the legally required risk assessment tools. To this end, for example, significant changes to work content are considered as a preventive measure when new software is introduced. We also consult employees and managers on a regular basis on various aspects such as work organisation or leadership and team topics. Based on this analysis, targeted measures are developed and their effectiveness then tested (please see GRI 403-2).</p> <p>In addition, Safety Management regularly inspects the Bank's business premises every three to five years in order to assess the workplaces in a targeted manner with regard to any need for adaptation, but also to provide preventive advice to managers and employees with regard to ergonomics and health at the workplace.</p> <p>In addition, we want to empower employees and managers to take responsibility for building up the resources with which they can adapt to changed requirements in the working world. This purpose is served by a wide range of preventive measures such as professional counselling or training – for example in dealing with stress – and physical activity. To this end, Commerzbank also cooperates with external partners. The ias Group is responsible for the occupational health care of our employees nationwide. It also advises the Bank's corporate health management in order to improve and expand the range of products and services in a needs-oriented and targeted manner. Insa Gesundheitsmanagement GmbH provides content on the topics of exercise and nutrition in the form of digital or face-to-face seminars.</p> <p>Several works agreements on the topics of "Fairness at the Workplace", "Preventing Addiction", "Company Integration Management" and "Computer Workstations" also regulate health-oriented working at the Bank.</p> <p>In 2020, Commerzbank was not alone in facing the major challenge of reconciling employee health protection with operational requirements in the face of a global pandemic. A</p>	1, 6	3

Crisis Management Team was set up to decide on and coordinate the Bank's approach in line with the respective developments. As such, a number of measures have been taken and a far-reaching hygiene concept established to protect employees and customers. These include, amongst others, the temporary closure of many branches, restrictions on business trips and split operations with part of the workforce working from home to keep contact to a minimum. The options for working from home were expanded. In addition, up-to-date information, e.g. rules of conduct, changes to operational procedures or background information on the pandemic, is made available to all employees on the Commerzbank intranet on a continual basis. A podcast with the senior company doctor provides regular information on all aspects of coronavirus.

Targets and details on the achievement of targets in the area of health protection can be found in the [Sustainability Programme](#) under "Employees: Health protection".

403-1 Management system for occupational health and safety 3

Health has been a strategic topic pursued by Commerzbank AG since 2006 and implemented an Occupational Health and Safety Management System (Arbeitsschutz-Management-System, AMS) as early as in 2005; this system is continuously reviewed and adapted. It describes the guiding principles and objectives as well as the organisational principles that Commerzbank has set itself as a maxim for action in matters of occupational safety.

Since the basic occupational health and safety measures involve statutory requirements, they apply to all employees and workplaces in Germany and abroad. Voluntary additional benefits such as the Employee Assistance Programme (EAP) are also available to all colleagues via telephone and e-mail. While face-to-face seminars are attended mainly by employees at the larger locations for organisational reasons, digital seminar offerings allow all employees to participate without any additional effort or travel.

403-2 Identification of hazards, risk assessment and investigation of incidents 3

Since 2013, we have been continuously expanding our occupational health, safety and prevention efforts through a so-called circular model for the assessment of risks. The findings form the basis for developing and implementing relevant measures together with those responsible for occupational health and safety, employees and managers. These measures range from structural and organisational changes to preventative measures such as professional advisory services to qualification measures, such as dealing with increased workloads, and campaigns to promote exercise. An advisory team of specialists further supports the responsible managers in the overall process of risk assessment with regard to mental stress and project-related risk assessments.

Evidence-based risk assessments are based on reports of suspected health hazards in the workplace. All employees of Commerzbank AG Germany, managers, occupational safety specialists, human resources management advisors, representatives of severely disabled employees and members of the Works Council have the opportunity to initiate such an assessment. A notification form and a guide with further

information are available for reporting a suspected hazard. The process is triggered when the person submitting the completed form forwards it to the responsible manager. The manager then informs the responsible member of the Works Council and, if applicable, the representative body for severely disabled employees, and consults them regarding the further procedure. If employees fear retaliation, they can instead contact a member of the Works Council directly, who will then initiate the reporting of the suspected hazard while maintaining the anonymity of the employee. Safety Management has digitalised the accident report, which leads to better documentation of accident investigations and allows for easier anonymous evaluation in order to identify accident black spots and, if necessary, to derive preventive measures.

403-3**Occupational health services**3

Commerzbank offers its employees the opportunity to consult company doctors on health-related issues. They are subject to medical confidentiality and provide support – if necessary also on a long-term basis – in the following areas:

- Physical, mental and social illnesses, which may have work-related reasons or affect the employee's work performance
- Health-oriented design of the workplace
- Occupational health examinations, for example eyesight and vision tests for screen work
- Reintegration after an illness
- Integration at work of colleagues with disabilities
- Advice on healthy nutrition
- Preventive health protection during business trips abroad
- Addictions - preventive and acute

The occupational health care of employees is supplemented at the major locations with medical service stations. These are mainly intended to provide first aid in the event of injury or illness. Additionally, there are trained first-aiders at all locations. The Bank offers senior executives of Commerzbank AG Germany the opportunity to arrange for a health check-up every two years, with a large part of the costs borne by the Bank.

Family problems, stress, conflicts, psychological strain and the like also occupy and exert a strain on many people in today's living and working environments. Commerzbank therefore offers the Employee Assistance Program (EAP) to all employees, managers and their relatives living in the same household. In general, the service is available to employees of the Commerzbank Germany, but can also be used by employees from abroad, if required also in English. The external consulting team, consisting of experienced experts from fields such as medicine, psychology and social pedagogics, offers competent support in difficult professional and personal situations. The consultants are, of course, subject to the legal obligation of confidentiality, and neither superiors nor personnel managers will be informed about an employee's utilisation of the EAP. If necessary and at the employee's own request, the consultants will refer them to specialists such as specialist clinics, family services, specialist advice centres, doctors, psychotherapists, or coaches. Managers, too, can use the EAP to approach the counselling service with regard to questions arising from their

role. For example, for health-oriented employee management or for the preparation of difficult employee appraisals. Employees have also contacted the EAP on questions about the coronavirus pandemic, but due to the extensive information offered by the bank on the subject, there was not a high level of demand.

In addition, Commerzbank has introduced a "tier model for psychological support after bank robberies" in order to provide the best possible support to those involved in such a stressful situation. This includes defined contact persons in Human Resources as well as a comprehensive psychological follow-up offer, also within the framework of the EAP.⁴

After frequent absences due to illness or a longer bout of illness, the step back into the daily work routine can sometimes be difficult. Our company integration management (BEM) supports employees in these situations. It comes into force as a legally required procedure if employees have been absent from work due to illness for a total of six weeks or more within a period of twelve months. It is irrelevant whether the employee was absent due to a single long-term illness or several different illnesses. Participation in the BEM is voluntary. Measures to support the employee within the framework of the BEM include, for example, the procurement of an ergonomic chair or a height-adjustable desk, reduction of working hours or change of working hours and agreement of fixed or flexible home office days. The BEM can also give advice on external seminars about back fitness or stress, whose participation is financially subsidised by the bank.

403-4 Employee participation, consultation and communication on occupational health and safety

3

Various committees within the Bank discuss and take decisions on occupational health and safety issues. The Central Health and Safety Committee represents all Commerzbank employees in Germany. Its responsibilities are specified by the German Health & Safety at Work Act (Arbeitssicherheitsgesetz) and include, among other things, the provision of advice on preventive measures for accident and health hazards and the development of an occupational safety management system. The composition of the Committee is also prescribed by law. Minutes of the meetings, which are held four times a year, are available to all employees.

In 2010, an Employee Council on Health comprising 45 employees, who represent a cross-section of the Bank, was established. In the meetings, which take place at least twice a year, a wide range of topics relating to the physical, psychological and social well-being of the employees is collated and discussed. The most important matters are discussed with the Board Member responsible for human resources and the Chairman of the Central Works Council, who thus gain a direct insight into the health situation of the employees. Every four years, the members of the Council are appointed through a Bank-wide call for nominations and a subsequent selection procedure.

The Committee for Diversity, Health and Social Affairs, which is part of the General Works Council, also deals with all aspects relating to the reconciliation of family and career, social services and health. It convenes every two months. In addition, the representative for severely disabled employees attends the

meetings of the Works Council and its committees, as well as all meetings of the Health and Safety Committee, ensures adherence to the rules of inclusion and puts forward appropriate proposals regarding the introduction of new products.

Employees can access all information on health and safety at work on the Commerzbank intranet. Here, Bank's manifold offers are presented and information sheets on various topics, e.g. ergonomic working or eye training, are made available.

403-5 Employee training on occupational health and safety 3

In order to ensure occupational safety, all internal and external employees are required to complete an online safety training seminar once a year. This is supplemented by location-specific instructions on the part of the managers. Internal company-appointed officers such as safety officers, first-aiders, floor officers and fire protection assistants are trained in accordance with the legal requirements and regular further training is ensured. In addition, branch employees receive bi-annual training on accident prevention regulations and the special requirements of banking operations (cash processing).

In addition, numerous qualifications offers of the Bank provide information and advice on the topics of occupational safety and health. Commerzbank thereby wishes to support its employees and help them meet the challenges posed by digitalisation. The offers include amongst others:

- Audio events and presentations on general health topics such as sports, sleep and nutrition, as well as on challenges faced by employees in their daily work, e.g. stress, time management and digital media.
- Compact health check-ups, e.g. on back or heart health, which give participants initial feedback on their health status and recommendations for improving it.
- Allowances for external stress management seminars that teach strategies and methods to better deal with stressful situations or to identify the causes more easily. The aim is to prevent stressful situations from arising in the first place.

403-6 Promotion of employee health 3

Commerzbank supports various health promotion programmes. More than 40 sports are available to employees in the 150 company sports groups throughout Germany. In addition to health promotion, the feeling of togetherness within the company is fostered at the same time. In 2020, around 11,000 employees took advantage of these offers. National tournaments and German championships take place regularly.

The Global Challenge campaign invites people all over the world to increase their physical activity together as a team and improve their own health. For 100 days, the participants independently measure their own physical exercise in terms of steps taken. They also receive tools and tips on nutrition, sleep, energy and concentration in order to develop a healthier lifestyle. In 2020, the number of participants almost tripled to around 3,600 compared to the previous year. The Global Challenge campaign reached all employees, including those in the home office, and helped in particular through the period of social distancing.

Dealing with stress reactions and excessive demands has long ceased to be a taboo subject at Commerzbank. The Bank and the Central Works Council address the issue openly and proactively. With a comprehensive and preventive approach, the Bank aims to provide information on support formats to those affected as early as possible. The employee network "Horizont", founded in 2011, aims to help raise awareness among Commerzbank employees for the burnout syndrome (psychological and physical exhaustion) and to break down prejudices and inhibitions. It offers a platform for the exchange of thoughts and ideas, as well as qualified contacts for affected employees. Upon request, these contacts establish contact with various contact points and internal and external experts.

Commerzbank also actively addresses the issue of addiction. We support employees in giving up smoking, for example. In a personal conversation, experts from the ias Group advise those affected and help them to find the right "way to giving up smoking" from the wealth of courses and aids available. If a course is attended regularly, the Bank will reimburse part of the costs. In addition, the Addiction Helper Network has been established, which every person affected, irrespective of whether he or she is a manager, employee or colleague, may use to make initial contact with one of the addiction caregivers quickly, easily and confidentially. These caregivers - all of them employees of Commerzbank - know what they are talking about, because they themselves are addicts, but have been living drug-free for several years and would like to use this experience to help others to take the first step away from addiction.

As an employer, Commerzbank wants to offer its employees attractive and nutritionally balanced catering wherever possible. As such, there are canteens at the Headquarters and other major locations which offer a wide range of vegan, vegetarian and meat-based products on a daily basis. All information on nutritional data and additives can be viewed by employees at the entrance to the canteen.

403-7	Preventing and minimising effects directly related to business relationships on employee health and safety This item is not applicable to Commerzbank as a financial services provider.	<u>3</u>
403-8	Employees covered by a management system for occupational health and safety The Occupational Health and Safety Management System (Arbeitsschutz-Management-System, AMS), which is regularly reviewed internally, covers 100 % of the employees of Commerzbank AG Germany.	<u>3</u>
403-9	Work-related injuries In 2020, the ratio of reportable work-related and commuting accidents for the Commerzbank Group in Germany was 5.3 accidents per 1,000 employees (2019: 6.8) and was thus significantly below the already very low level of 2019 (- 22 %) and below the ratios of the relevant statutory accident insurance. This is largely due to the expansion of home office activities in the context of the coronavirus pandemic. No fatal accidents occurred during the reporting year.	<u>3</u>
An increase in psychological stress due to the long home office		

periods was not observed.

[Number of work-related accidents at Commerzbank AG Germany by region and gender](#) (PDF, 27 kB)

403-10	Work-related illnesses The illness rate of Commerzbank AG Germany amounted to 4.1 % in 2020 (2019: 4,9 %), excluding the permanently ill employees.	<u>3</u>
---------------	---	----------

GRI 404 Training and Education

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) To retain employees with Commerzbank on a long-term basis and to effectively use their qualifications to the benefit of our company, we aim to identify and develop our employees' skills at an early stage. Commerzbank's talent management consequently pursues a holistic approach. It starts with the hiring and development of apprentices and extends to the support for graduates in attaining their initial target positions and personnel development for specialist staff, managers and project managers.</p> <p>The Development Dialogue supports the regular exchange between managers and employees on qualification and development in the Bank. The focus is on developing competencies for current and future tasks. In addition, managers identify their talents in the process and regularly discuss strategically relevant personnel topics.</p> <p>Targets and details on the achievement of targets in the area of education and training can be found in the Sustainability Programme under "Employees: Training and Development".</p>	6	<u>5, 8, 10</u>
404-1	<p>Average hours of training per year per employee In 2020, we invested a total of 638,411 hours, including self-study media and face-to-face events, in the training and further education of employees of Commerzbank AG in Germany. A total of 35,115 employees took part in training courses offered on the central learning platform. Employees who left the Bank during the year and external employees were also counted. The average number of hours per employee and year during the reporting year was 18.18 hours. We do not report hours broken down by employee category. This data is not available, as it is not substantially relevant to further training at Commerzbank, and hence also not to management. Further training is offered at Commerzbank on a needs-oriented basis.</p> <p>Average number of hours spent on training and development per employee and by gender (PDF, 26 kB)</p> <p>Of the 29,601 people employed by Commerzbank AG Germany in December 2020, 938 were in vocational training (655 were apprentices and 283 were students in dual degree programmes). In addition, 261 active members of the study circle (Commerzbank's working-student programme), 70 students from the Frankfurt School of Finance & Management (FSFM) were employed alongside their studies, as were 234 trainees. In 2020, Commerzbank hired 423 graduates in initial training (310 apprentices and 113 students from universities with dual-degree</p>	6	<u>5, 8</u>

programmes). Furthermore, we welcomed 413 student interns, 83 interns from polytechnics, 118 members of the study circle, 50 students at the FSFM and 184 trainees. In 2020, we took on 69.7 % of the apprentices and vocational trainees who had completed their training.

[Apprenticeships at Commerzbank AG \(Germany\) \(PDF, 26 kB\)](#)

404-2 Programs for upgrading employee skills and transition assistance programmes 8

We pool all offerings in a single learning platform and facilitate lifelong occupational learning. Employees are encouraged to more actively shape their further personal and professional development and, together with their managers, to take the reins in making this a reality. International units have their own range of services outside of the learning platform.

Commerzbank offers a host of optional and mandatory training modules (seminars, workshops and e-learning courses) designed to prepare employees for the transformation of the banking sector resulting from digitalisation and to develop their skills on an ongoing basis. The different requirements call for learning and information formats that are appropriate to specific target groups. These include needs-based learning sprints for managers or digital sessions for all employees.

In the coronavirus pandemic, Commerzbank has expanded its qualification offerings. In the apprentices' area, all face-to-face seminars required for the chamber of commerce (IHK) examination were converted to online formats. For professionals, new non-specialist web seminars were developed and offered - topics such as virtual communication, motivation and leadership were in particularly high demand. In addition, more e-learning courses on specialised topics were established, which make it possible for employees to access learning content at any time.

Human resources development and individual development concepts were also realigned with online-supported formats, among other things, with regard to the digital strategy.

In addition, we are responding to the increasingly digital world of work in the Group with an adapted work organisation: mobile technical applications, agile work and flexibility in terms of work location and working hours are just some of the examples.

In a working group consisting of employer and employee representatives, a general corporate agreement on "mobile working" was developed and put into effect in April 2020. Mobile working makes it possible to work from time to time without being tied to a specific location. Employees and managers agree in advance on the place of work flexibly, on an ad hoc basis and individually. The agreement thus aims at a flexible arrangement of working time and place, taking into account operational requirements and private interests of the employees, the motivation of the employees through autonomous working, the increase of employer attractiveness and a better reconciliation of private and professional life. By eliminating the need to travel between home and the workplace, mobile working also pays off in terms of environmental protection. Mobile working is also increasingly offered to employees at foreign locations; the

respective country-specific regulations can be found in local policies. In the context of the coronavirus pandemic, the options for working from the home office were expanded beyond the scope of the general works agreement. This means that the Bank offers all employees the opportunity to carry out their activities in the home office and strongly recommends that they exercise this offer.

Employees have three equivalent career paths with clearly structured qualification and development opportunities at their disposal: the professional career track, the management career track and the project career track, including the pertinent training modules.

404-3	Percentage of employees receiving regular performance and career development reviews	6	<u>8</u>
<p>Target agreement meetings with employees were again held in 2020. Target agreements serve as a steering tool for teams and/or employees and, in the case of employees with performance-related variable remuneration, as the basis for annual variable remuneration management. In addition, all employees can be provided with a performance evaluation upon request, which serves as an assessment of their status quo and does not relate to the achievement of goals, but rather to the fulfilment of tasks. The performance evaluation is not linked to the calendar year.</p>			
<p>Career development is clearly structured at Commerzbank. Already in 2019, a new format was created with the Development Dialogue and initially introduced for the entire management of the Bank and all employees outside Germany. In the process, expectations regarding the competencies of the employees concerned and actual individual competencies are compared. This forms the basis for a regular dialogue and enables employees to actively shape their professional future together with their manager. With the introduction of the Development Dialogue for all domestic employees in September 2020, there is also an online-supported personnel development process in Germany, through which the necessary competences and knowledge for current and future requirements are developed in a structured and continuous manner for all employees. At the same time, talents and personnel strategy risks are identified in order to set the right course for personnel deployment and development. With the development dialogue, we ensure uniform standards for qualification and development in Germany and internationally at Commerzbank AG.</p>			

GRI 405 Diversity and Equal Opportunity

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Diversity and inclusion are key principles at Commerzbank. Non-discrimination, development, diversity and inclusion are now an important part of our human resources strategy. Only in an atmosphere of mutual tolerance and respect are we in a position to achieve our goals.</p>	1, 6	<u>5, 8</u>
<p>For almost 30 years, our Diversity Management unit has been working for an open and fair environment throughout the Group where everyone feels appreciated. The focus is on the topics of</p>			

gender equality and inclusion of people with disabilities and the promotion of cultural diversity within the Group. We see diversity as a success factor for the Bank's performance. Worldwide, the Group employs people from around 120 nations. Their diverse origins vitalise and enrich interactions. Differences in viewpoint and experience lead to new ideas.

The Global Diversity Council is the central strategic entity, and its meetings are chaired by the member of the Board of Managing Directors responsible for human resources. The involvement of all divisions and support from regional councils makes it possible to take country-specific needs and differences into account. Diversity Management has defined seven fields of action: "Work/life balance", "Equal opportunities and gender diversity", "Sexual orientation and identity", "Generational diversity", "Cultural diversity", "Inclusion of employees with disabilities" and "Religion, belief, worldview".

The inclusion of people with disabilities is a part of our diversity strategy. In 2018, Commerzbank became the first bank in Germany to publish an Action Plan for Inclusion based on the UN Convention on the Rights of Persons with Disabilities. Under this action plan, we have committed to implementing major goals and measures by 2023 to improve the situation for people with disabilities at Commerzbank. This includes employees as well as customers and suppliers of the Bank. In 2020, we continued to work on the implementation of the measures. Barrier-free access to the workplace and work equipment have just as high a priority as the implementation of accessibility in our digital offerings on the customer side. At the beginning of 2020, an assistive technology coordination position was established for our employees to support employees with special needs. In the future, our customers will also benefit from our initiatives. In coordination with various social associations, we asked them about their preferences in banking.

For more than two decades, we have been steadily expanding our activities around combining family and work life, and we provide our employees with targeted offerings for all stages of life, including with modules that can be used in combination when providing long-term care for relatives. Commerzbank holds the permanent "Audit Beruf & Familie" certification. As in the previous year, Gruner-&-Jahr Verlag again honoured our engagement in 2020 with the "Best employer for women" award.

A high degree of flexibility in terms of time and mobility is a key factor in implementing the transformation of the working world at the company. To make it easier for our employees to combine family life with a career, Commerzbank offers employees various part-time models and options, such as limited period "trial part-time working" and job sharing. Here, one position is divided between two part-time employees. The percentage of part-time employees has risen constantly in recent years, from 21.0 % at the end of 2011 to 30 % at the end of 2020.

Our sabbatical options offer opportunities to take a longer period of time off work (up to six months). For this reason, we have concluded a works agreement that allows time to be "saved" and used for extended breaks. In 2020, some 167 employees took a sabbatical. Staff also have various opportunities to make the

location of their workplace more flexible (see GRI 404-2).

Due to the coronavirus pandemic that occurred in 2020, Commerzbank created the conditions for its employees to bridge shortages with expanded opportunities for working from home and temporary paid time off. In addition, Diversity Management has established special online seminars that deal primarily with the challenges of family life under these special circumstances.

The Bank offers approximately 320 childcare places throughout Germany. By offering longer hours than municipal childcare centres, even during school holidays, we provide a far more attractive level of service for many parents who work at the Bank. Due to the partial lockdown in spring 2020, a large part of the childcare services could not be used in the previous form. With virtual childcare for colleagues in the home office and virtual workshops and exchange formats, we were able to relieve the burden on many parents and offer the children a varied range of options. The virtual childcare was used on 2,072 days. Commerzbank's emergency and holiday care was used by a total of 320 children on 1,788 days in 2020. For each child, the Bank covers the cost of 20 days of emergency care per year.

Furthermore, in addition to childcare, we also offer extensive support for employees who care for relatives. This is based on our care-related works agreement, which was concluded for the entire Bank in 2015. With an aging workforce, care for relatives is also gaining in importance. Accordingly, our workshops and advisory services on care are increasingly in demand.

With the integration of Comdirect into Commerzbank, the bank's extensive offers for balancing private and professional life are also available to all Comdirect employees. They fully replace the Comdirect portfolio of support measures.

Commerzbank's eight employee networks make another important contribution to a vibrant and diverse corporate culture and thus support our diversity management goals. Around 1,500 employees in total are involved with Arco (LGBT*IQ), Courage (women), Focus Fathers, Horizont (burnout), Cross Culture (intercultural), Ideal (employees with disabilities), the Christian network Ichthys and Network Care. These networks organise their own events and projects to raise awareness of their existence and what they do, for example shown on the Diversity Day. In addition, they provide colleagues with the opportunity to network and develop across all levels.

For around 20 years, Commerzbank has been committed to an open approach to the topic of sexual orientation and gender identity among customers, employees and business partners. Due to the coronavirus pandemic, live events had to be cancelled in 2020. Nevertheless, we showed initiative with many campaigns during the "Pride Season": The Commerzbank Tower and the Bank's logo in all digital applications appeared in rainbow colours. In all branch locations, rainbow stickers in the entrance area signalled the Bank's commitment to a prejudice-free society. We also conveyed this message in many ways via social media.

In addition to the Bank's internal network of fathers, Commerzbank initiated a cross-company network of fathers as

early as in 2004 in the form of Väter gGmbH, through which talks, workshops or webinars and a cross-company exchange platform for fathers have been offered regularly since then. Of all employees taking parental leave at Commerzbank, fathers accounted for 18.9 % (2019: 20.3 %). The average duration of parental leave (within the 2020 calendar year) was seven months for women and two months for men.

Targets related to diversity and equal opportunities can be found in the [Sustainability Programme](#) under "Employees: Diversity and equal opportunities".

405-1	Diversity of governance bodies and employees	6	5
<p>Diverse teams often perform better and are essential to the success of the company, also with regard to internationalization and demographic change. Although at around 53 %, a small majority of Commerzbank's workforce consists of women, they are not yet equally represented at the management levels. For this reason, over the past years the measures designed to promote a good work-life balance have been further improved in order to open up fresh career opportunities for women, in particular. They include the expansion of childcare offerings, innovative part-time working models, including for managers, and a Bank-wide mentoring programme.</p>			
<p>In a study by the Boston Consulting Group on gender equality in companies, Commerzbank ranked 10th out of almost 100 listed companies. In addition to the proportion of female managers on boards of directors and supervisory boards, the ratio of the average remuneration of both genders is also included. With 73 out of 100 points in 2020 and the steady improvement compared to previous years, Commerzbank proves that it takes its responsibility for equal opportunities seriously and successfully implements measures.</p>			
<p>Support measures for both entry-level female employees and also for female employees already working at the Bank could only be continued in 2020 in part or in another form due to the pandemic. For example, there were more virtual events within the framework of the "Diversity Forum". Programmes such as "Keep in touch" (10 to 30 % part-time for up to 12 months after the birth of a child) or a "return guarantee after parental leave" continued to be offered. "Keep in touch" in particular has developed into a successful part-time offer. The offer was used by a total of 210 employees - including men - in 2020. The "Management Experience" programme offers employees the opportunity to try out their skills as a manager or project manager in temporarily vacant positions.</p>			
<p>In this way Commerzbank has increased the proportion of women in leadership positions to more than 30 % Group-wide. The next goal the Bank has set itself is to achieve a proportion of 35 % across all management levels by the end of 2021; the 2020 figure in the Group was 33.3 % (2019 32.5 %). At Commerzbank AG Germany, the proportion of female managers increased to 30.4 % (2019: 29.6 %) in the year under review. All divisions of the Bank are explicitly tasked with actively approaching suitable female employees during the recruitment process. The aim is to further increase the proportion of female candidates for management positions when filling new positions. Conversely, male candidates should be approached if a management position only attracts</p>			

female applicants.

Gender diversity on the Board of Managing Directors is also an important issue at Commerzbank. As per 31 December 2020, the proportion of women amounted to 33.3 %. Virtual events, such as SheLeads in December 2020 with 500 participants and participation of members of the Board of Directors, show the bank's high commitment to gender equality. Further information on the proportion of women on the Supervisory Board and the Board of Managing Directors, and at the first and second management levels can be found on pages 5 and 20 et seq. as well as in the diversity concepts and target quotas relating to the Board of Managing Directors and the Supervisory Board (p. 32 et seq.) in the [Corporate Governance Report](#).

[Proportion of female employees at Commerzbank AG \(Germany\) by management level](#) (PDF, 26 kB)
[Commerzbank AG \(Germany\) workforce by age and gender](#) (PDF, 26 kB)

In 2020, the Bank was obliged to provide 1,422 jobs for severely disabled employees. This was more than fulfilled with 1,723 jobs filled by severely disabled employees - and thus 6.05 % of all jobs at Commerzbank AG in Germany. Commerzbank consistently exceeded the legal requirement of 5 % employees with disabilities in the years 2014 to 2020. In the meantime, we are also paying more attention to the next generation: in 2020, several young people with disabilities were offered an attractive apprenticeship position.

405-2	Ratio of basic salary and remuneration of women to men An overview of the salary structure at Commerzbank is best presented via pay-scale brackets, as individual salary details are protected as confidential information and there are corresponding restrictions on disclosing such information, including for statistical analysis by gender or other diversity criteria. The following table shows a breakdown for Germany of the number of employees in each pay-scale bracket by gender:	6	<u>5,</u> <u>8,</u> <u>10</u>
Salary structure of Commerzbank AG (Germany) (PDF, 26 kB)			

GRI 406 Non-discrimination

Nr.	Disclosure	UNGC	SDG
GRI 103	Management approach (including 103-1, 103-2, 103-3) A working environment that is free of prejudice, characterised by mutual respect and acceptance is a basic requirement for a climate where everyone is able to thrive. We do not tolerate discrimination at Commerzbank. Any form of discriminatory treatment on the basis of ethnicity, age, disability, gender, origin, physical ability, nationality, political activity, religion or sexual identity constitutes a violation of human dignity and personal rights. With this in mind, Commerzbank and the Central Works Council concluded a works agreement in 2004 prohibiting discrimination, bullying and sexual harassment. To this end, the agreement defined preventative measures, procedures for dealing with complaints, and sanctions to be applied.	6	<u>10</u>
Staff have the freedom to use the existing complaints procedures			

without fearing that they will be singled out for retaliation. The employees affected are also entitled to use the Employee Assistance Programme (EAP). In addition, the works agreement on fair conduct based on partnership at the workplace contains comprehensive information and guidelines for managers and staff at Commerzbank on how to deal with discrimination.

We view it as our duty to react quickly to each and every instance of discrimination and harassment. In 2020, we used Anti-Racism Day as an opportunity to clearly communicate this stance to our employees. With our diversity management, we have been going a significant step further for many years by providing special support to employee groups who have experienced disadvantages in society, especially in the past. Our employee networks for women at the Bank (Courage) and lesbians, gays, bisexuals and transsexuals – LGBT*IQ – (Arco) are among the largest within the company and make an important contribution to a culture of tolerance and integration. The inclusion of people with disabilities is also a firm fixture of our diversity strategy (see GRI 405/103).

Commerzbank is committed to an open approach to the topic of sexual orientation and gender identity. Diversity Management uses innovative measures, workshops and information events to promote diversity in the company. Our activities are presented and evaluated at least twice a year in the Global Diversity Council under the leadership of Chief Human Resources Officer Sabine Schmittroth. The implementation of legal requirements such as the "Equal Opportunities Act" and the "Pay Transparency Act" is also reviewed and discussed in this body.

With our numerous memberships in many organisations for equality and diversity & inclusion, we show that we as a company also perceive a social obligation. We are a founding member of the "Diversity Charter", are on the advisory board of "Prout@Work", are listed in the "Genderdax" and are signatories of the UN Women Empowerment Principles. We are also regularly certified by the "Audit Beruf & Familie" and "Total E-Quality".

406-1	Incidents of discrimination and corrective actions taken	6	<u>10</u>
	Employees who are found guilty of misconduct related to discrimination can expect Commerzbank to examine all of its options under labour law. In particularly serious cases where a criminal offence may have been committed, Commerzbank will refer the case to the authorities. There were no such cases in 2020. In 2020, there were a total of 25 contacts for the overarching issue of bullying, discrimination and sexual harassment, which corresponds to just under 1 % of the approximately 2,100 total EAP contacts in 2020.		

GRI 407 Freedom of Association and Collective Bargaining

Nr.	Disclosure	UNGC	SDG
GRI 103	Management approach (including 103-1, 103-2, 103-3) Commerzbank is committed to upholding the core international labour standards of the International Labour Organization (ILO). The vast majority of Commerzbank Group employees work in member states of the European Union. These countries have already enshrined the standards of the ILO in their laws, and Commerzbank implements these national legal requirements as a	2, 3	<u>8</u>

matter of course, including the freedom of association laid out in Article 9 of the Basic Law for the Federal Republic of Germany (Grundgesetz). As a company domiciled in Germany, Commerzbank is furthermore bound by the OECD Guidelines for Multinational Enterprises. Commerzbank has also participated in the UNGC since 2006 and therefore undertakes to uphold the freedom of association and the effective recognition of the right to collective bargaining, to eliminate all forms of forced and compulsory labour, to abolish child labour and to eliminate discrimination in respect of employment and occupation, among other things.

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Employee/employer cooperation at Commerzbank is based on mutual respect and trust. Works agreements reached by the employee and employer representatives take account of the Bank's aims as well as the employees' social needs. This will continue to apply in the future. The Bank is not aware of any instances in which Commerzbank's business activities or units did not respect freedom of association or the right to collective bargaining at collective bargaining or works constitution level. We also expect our suppliers to respect freedom of association and have included this in the <u>sustainable procurement standard</u> .	3	<u>8</u>
--------------	--	---	----------

GRI 414 Supplier Social Assessment

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	Management approach (including 103-1, 103-2, 103-3) See 308/103.	2	<u>12</u>
414-1	New suppliers that were screened using social criteria See 308-1.	2	<u>12</u>
414-2	Negative social impacts in the supply chain and actions taken All suppliers and service providers who do business with Commerzbank undertake to comply with the specific social requirements set out in the <u>sustainable procurement standard</u> and, in turn, oblige their own suppliers and service providers to comply with the relevant requirements. The adherence to social standards is a subject matter that is discussed at the annual negotiations with suppliers. In the event of violations of the sustainable procurement standard, suppliers are specifically notified of the need for improvement. In the reporting year, no contracts with suppliers were terminated due to the failure to observe human rights or social standards.	2	<u>12</u>

GRI 415 Public Policy

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	Management approach (including 103-1, 103-2, 103-3) In the interest of its customers, and to facilitate long-term planning, Commerzbank also holds ongoing discussions with national and international regulators, supervisory authorities and decision makers in the political arena so it can work towards clarity and consistency in the regulation of products and services.	10	<u>16</u>

As the interface between the Bank and political bodies, Commerzbank's Public Affairs department formulates positions on relevant political and regulatory issues. On-site support is provided through the Bank's two liaison offices in Berlin and Brussels and a liaison officer based at the Institute of International Finance (IIF) in Washington. Through its activities, the Bank plays an integral role in the democratic opinion-forming process and aims to encourage appropriate, sound decisions that are geared towards the common good. The focus is on explaining banking and financial market issues with a view to helping politicians and administrators develop and expand their knowledge of the sector as the basis for appropriate decision-making. We are listed in the [EU's Transparency Register](#) and report on local activities, acting persons and annual expenditure on political lobbying.

The relevant targets under "Participation in public policy development" can be found in the [Sustainability Programme](#), which we completed in 2020.

Commerzbank's donation policy provides a clear framework for donations. According to the policy, donations must not be in conflict in particular with Commerzbank's ethical standards of business and conduct, compliance principles or any specifically defined exclusion criteria. Donations that might cause a conflict of interest are to be avoided. Commerzbank forbids donations to recipients such as associations and cults monitored by the Bundesamt für Verfassungsschutz (BfV) and organisations about which the German Central Institute for Social Issues (DZI) has issued a warning.

415-1	Political contributions	10	<u>16</u>
	In accordance with its Group-wide donation policy, Commerzbank does not make donations to political parties, affiliated institutions or politicians.		

GRI 417 Marketing and Labeling

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Fairness towards the customer means for us that we provide comprehensive and readily understandable advice on financial products, their risks and possible alternatives guided by the customer's long-term needs together with transparent and readily understandable documentation of the advisory process. For instance, Commerzbank AG pursues its aspiration to provide fair and competent advice through the CustomerCompass financial planning software. The associated advisory process, where the specific requirements of a retail or corporate customer lead to customised solutions and financial plans, has already received multiple awards.</p> <p>Moreover, Commerzbank has, in recent years, introduced new products and services that are particularly beneficial to customers. These include accounts with a satisfaction and security guarantee, online instalment loans, or the mortgage financing with a free choice of supplier. We offer all customers access to the bank with the basic account and also simple services via the Commerzbank Banking App. Relevant documents for customers are mostly available in German and English.</p>	7	<u>12</u>

Data-related measures that help prevent payment fraud and the resultant losses are of great benefit for customers, allowing fraud attempts to be detected at an early stage and losses minimised. Two fraud patterns, so-called CEO fraud and ransomware attacks, continue to be relevant: For CEO fraud, in which corporate customers are fraudulently induced to make payments, Commerzbank provides, among other things, a training offer for customers in Germany and at selected European locations. In the case of ransomware attacks, the IT systems of corporate customers are encrypted. Commerzbank also supports its customers in this area with a comprehensive range of advisory and training services. Another current fraud scam is the so-called boiler room fraud. This is a particularly perfidious type of investment fraud in which investors are deprived of their assets using social engineering techniques. After the investor has registered on a corresponding website for financial or investment products, he usually receives calls from a supposed broker, usually with a foreign telephone number. This broker tries to dispel the investor's concerns by asking him to invest a small amount of money. On a website, to which the investor is given online access, he can then track the supposed performance of his investment. Subsequently, the broker then uses certain techniques to try to build up as much trust as possible in the investor, to undermine confidence in his bank and family members and to induce the investor to make further investments. To this end, the bank has published appropriate warnings and information as well as contact options on its website.

417-1 Requirements for product and service information and labeling

12

As part of its efforts to inform its customers about the opportunities and risks of financial products, Commerzbank draws up suitability reports on its advisory meetings and provides customers with all relevant product information, including mandatory publications such as the product information sheet (PIB), key information document (KID) and key investor information document (KIID).

GRI 418 Customer Privacy

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Commerzbank Group can only be successful in the long term if its customers are satisfied. Our products and services are therefore designed to serve the interests of customers, and the Bank treats customer satisfaction as one of the most important metrics in evaluating its business success. As digitalisation increases, protecting customer data and upholding banking confidentiality obligations are a top priority. With this in mind, data security has been included in the strategic actions as one of three key topics for responsible banking. The Commerzbank Security Board determines the Group's security strategy. International protection of data privacy is implemented through a governance model with defined roles and responsibilities, policies and directives, standardised processes and control mechanisms.</p> <p>With the increasing digital networking of state, business and society, the topic of cyber security and resilience is becoming more</p>		<u>12</u>

and more important. Commerzbank scrutinises not only its own information, premises and IT systems, but also those of its customers and service providers, including any independent transport routes. Cyber security is a strong driver of customer confidence and thus an important competitive factor. As part of the critical infrastructure, the financial industry is subject to enhanced legal requirements.

We intend to take appropriate account of this development, including future challenges in managing cyber risks. Therefore, since 2020, Commerzbank has managed cyber and information security risks via the new Group division "Group Risk Management – Cyber Risk & Information Security" (GRM-CRIS), which reports to the Group Chief Information Security Officer (CISO). In addition to established security functions such as the Information Security Management System, GRM-CRIS focuses on managing cyber risk appropriately and on strengthening Commerzbank's cyber resilience, including its information security incident management capabilities. It also addresses the interaction between cyber and information security risks and other types of risk relating to areas such as human resources, procurement, business continuity management and physical security. Commerzbank is also a founding member of the German Competence Centre against Cyber Crime (G4C e. V.) association, which cooperates with the Federal Criminal Police Office. The association's aim is to develop and optimise measures to counteract cybercrime in order to protect its members and their customers against damage.

The Group data protection policy forms the basis for the proper handling of personal data and customer-related information. It includes principles applicable Group-wide for the collection, processing, use and international transmission of personal data. The individual companies are responsible for implementing these principles.

The data protection officers of Commerzbank provide assistance to the Bank's business units in Germany and abroad and monitor adherence to data protection provisions in compliance with the law. We hold regular training events, such as mandatory tutorials on the protection of data privacy as well as a seminar on data protection in practice and the offer of individual information events, to ensure that our employees remain sensitised to, and informed of, the issues surrounding the protection of data privacy and data security.

The use of big data and advanced analytics (BDAA) is of central strategic importance for Commerzbank. Efficient and holistic data processing offers great opportunities for all segments and Group divisions: as a basis for decision-making in the management of operational processes, for more detailed and faster analyses, and for improved customer service and cross-selling. To comply with the high data protection standards, the Bank works with pseudonymisation, anonymisation and micro-segmentation.

Security was one of the assessment criteria in the 2020 online banking test conducted by the trade journal Chip. In this category, Commerzbank received the second-best rating with a score of 1.1. Commerzbank also came second in the "Online Banking" category in the "Auf Nummer Sicher" ("Play it Safe") study conducted by Focus Money magazine.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data12

In view of the fact that the Bank has around 11 million private and small-business customers and more than 30,000 corporate customers including multinational corporations, financial service providers and institutional customers worldwide, the number of data protection complaints was again comparatively low in 2020. For example, the data protection officer of Commerzbank AG in Germany received 360 customer complaints in the year under review. In most cases, the complaint was that customer data had been subject to unauthorised use or had been obtained by third parties. However, the majority of complaints were found to be unsubstantiated. Some complaints were submitted directly to the data protection regulatory authorities. No cases of data theft were reported to the data protection officer in 2020.

GRI 419 Socioeconomic Compliance

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Compliance with the law and applicable guidelines is the foundation of corporate responsibility. With that in mind, Commerzbank's Compliance division has wide-ranging authority and escalation rights, including powers to obtain information and carry out investigations to enforce its requirements throughout the Group.</p> <p>Our compliance efforts focus on preventing and exposing incidents of money laundering, terrorism funding, market abuse (insider trading and market manipulation), fraud, corruption and other criminal activity within the scope of business operations as well as investor protection. Moreover, we ensure the protection of insider information, other confidential data about our customers and their transactions following the Need-to-Know principle.</p> <p>Integrity and compliance form an integral part of our corporate culture and require every single person to act responsibly so that their activities are in line with the relevant laws, voluntary commitments such as globally binding <u>Code of Conduct</u> and internal directives.</p> <p>The cross-segment "Culture of Integrity" network has the task of promoting a culture of integrity through targeted initiatives and measuring its development. By means of targeted communication campaigns, for instance, we report regularly e.g. on practical examples of correct conduct in grey areas, show where potential violations of the law may occur and indicate what the right response should be. The campaign is accompanied by a voluntary online training "Checkpoint Integrity", which provides training in how to act in grey areas.</p> <p>The Culture of Integrity also comprises a targeted improvement of the system for issuing instructions in order to provide employees with a clear and concise framework for their daily actions. On the one hand, the focus here is on increasing quality and reducing the number of instructions. Beyond that, there is also the sustainable improvement and further development of Comrules, the internal portal for instructions. The regular convening of the Decision Board (cross-segmental decision-making body for dealing with</p>		<u>12</u>

misconduct) and the established evidence office (anonymous collection and storage of misconduct incidents) are also sustainable components of the initiative, as are measures relating to "Know your employee", such as an established reliability check.

To promote conduct characterised by a high degree of integrity and reward employees who act as a role model, Commerzbank AG has established the Culture of Integrity Award. It is given to employees or teams who have distinguished themselves through their integrity and protection of customer and Bank interest. The 2020 award winner was Irina Preobrazhenskaya who works as a corporate customer advisor at Commerzbank Moscow: When handling a letter of credit for the delivery of a drilling rig from an EU country to Russia, she prevented a sanction violation and saved the Bank from damages. Some 30 nominations were received from various parts of the Bank worldwide, ranging from exemplary conduct when uncovering money laundering or fraud and the prevention of sanction violations to a number of other integrity and compliance issues.

The Bank's consequences management ensures that sanctions are applied as uniformly as possible to violations of rules and statutory or regulatory provisions in the Group. Misconduct by employees requiring at least a written warning is documented centrally; where necessary, the relevant compliance departments are consulted for assessment in the event of violations. In each case, an anonymized evaluation of the incidents is forwarded to the relevant compliance departments. This helps to identify the types of misconduct that occur and which regulations or regulatory provisions have been violated. Transparency makes it possible to learn from mistakes as well as to adapt rules and processes accordingly.

419-1	Non-compliance with laws and regulations in the social and economic area	<u>16</u>
<p>In the reporting year, Commerzbank was ordered to pay a significant fine of GBP 37.8 million imposed by the UK regulator FCA due to deficiencies in anti-money laundering systems and controls (see p. 158 of the Annual Report 2020).</p>		
<p>Information on ongoing legal proceedings as per the end of 2020 can be found in the Annual Report 2020 (p. 154 et seq.).</p>		

4. Sustainable Finance

103 Management approach

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Financial institutions have a particular role to play when it comes to limiting global warming, an objective which the international community has committed itself to with the 2015 Paris Agreement. One of the three goals agreed was to direct global financial flows towards projects and technologies that reduce greenhouse gas emissions and promote climate-resistant developments. The aim is a</p>		

gradual decarbonisation of industry with the aid of financial instruments. This can be done, for example, by promoting renewable energies or forgoing certain transactions such as coal financing.

This financial industry contribution to sustainable development, known as "sustainable finance", offers numerous opportunities for us as a bank: the energy revolution and reduction in CO₂ emissions are creating a need for new technologies and products requiring large investments. Moreover, there is growing interest from investors and customers in sustainable investment opportunities. That is why we are developing products and services that take account of these changes while offering an environmental or social benefit. At the same time, we want to prevent our business activities from having a negative impact on the environment and on society and avoid or mitigate any resultant risk.

Hence, we have begun to examine Commerzbank's loan portfolio in view of sustainability considerations in order to manage it accordingly in future. Our focus is on the CO₂ emissions associated with our business activities. The CO₂ intensity of the Bank's loan portfolio is to be steered towards the requirements of the Paris Agreement via sector-specific target values. In order to make this procedure comprehensible and to place it on a scientifically sound basis, Commerzbank has joined the SBTi. It advocates for the reduction of greenhouse gases on the basis of scientifically calculated targets. This enables companies to align their climate policy with the goals of the Paris Agreement and effectively counteract climate change. Using the SBT method, Commerzbank will calculate and reduce the CO₂ emissions associated with its loan portfolio (known as "financed emissions") in addition to its operational CO₂ emissions. As a concrete first step, we have identified the CO₂-intensive industries in our overall portfolio and are gradually determining the level of CO₂ pollution associated with these sub-portfolios.

To achieve these targets, we will be defining measures for the individual sub-portfolios. The key is to support our customers in their transformation to a low-carbon economy. This includes the promotion of emission-reducing technologies through suitable financing solutions, for example.

In 2020, we examined the possible future impact of physical and transitory risks on the loan portfolio as part of a scenario analysis. To this end, we tested our portfolio in various scientific climate scenarios of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). As a result, we were able to identify the industries that are likely to be particularly affected by climate risks. We then examined the chain of effects for these sectors in greater detail.

Credit risk management already incorporates climate issues in country and sector analysis. Lending decisions for companies and institutional customers therefore take into account not only an individual risk assessment but also – where relevant – the extent to which they involve climate risks and the level of resistance to them. In the future, we will incorporate the specific findings from the scenario analyses.

In the future, we will continue to gradually systemise this climate risk analysis, especially for larger companies in particularly affected sectors, and embed it in the processes in a standardised manner.

Our long-term aim is to quantitatively integrate climate risks into the credit risk analysis wherever possible in the future.

In June 2020, Commerzbank signed a climate commitment together with 15 other players in the German financial sector. In it, the Bank undertakes to align its credit and investment portfolios with the targets of the Paris Agreement. In April 2021, we joined UNEP FI's Net-Zero Banking Alliance and aim to reduce our carbon emissions for the loan and investment portfolio to net zero by 2050 (see GRI 102-15). In addition, the Bank has been supporting the TCFD since September 2020. The TCFD recommendations provide the framework for addressing and reporting on climate change in the future.

In addition to climate risks, there are other risks to the environment and society that arise from our core business. These are assessed in Commerzbank's Reputational Risk Management department. The Bank has adopted a clear position on controversial issues such as weapons and coal. Our process for managing these risks is described in detail in the framework for handling environmental and social risks in the core business, which is published online. The framework also includes all industry-specific requirements, for example relating to mining, energy, oil and gas. Cross-sector requirements relate to human rights and indigenous peoples. Exclusion criteria were defined for particularly critical products, transactions or business relationships. These include projects related to fracking or tar sands, but also the Group-wide decision not to finance new coal mines or coal-fired power stations.

When it comes to defining human rights, Commerzbank draws on established international standards such as the Universal Declaration of Human Rights. As a company domiciled in Germany, Commerzbank is bound by the OECD's Guidelines for Multinational Enterprises and takes further guidance from the United Nations (UN) Guiding Principles on Business and Human Rights. By committing to the UNGC, Commerzbank has pledged to support the protection of human rights all over the world and to ensure that it has no involvement in any human rights violations.

When assessing sustainability risks, Commerzbank does not limit itself to what is legally possible, but also raises the question of legitimacy in legal transactions. One example of this is the arms policy. We recognise the basic right of states to defend themselves, and do not question the need for the German armed forces or NATO partners to be adequately equipped. However, our financing of military equipment is dependent on the countries involved and the type of weapons to be financed. We generally do not involve ourselves in financial transactions related to "controversial weapons". Our arms policy also excludes arms exports to conflict zones or areas of tension. Here, we are more restrictive than is required by law, and our exclusion list also includes countries that are not affected by sanctions or embargoes. The list of countries is reviewed and adjusted quarterly and on an ad hoc basis.

Commerzbank's Reputational Risk Management department thus defines the criteria for and limits of business operations and carries out differentiated analyses of transactions, products and customer relationships. The assessment process starts in the front office: As soon as an issue defined as sensitive by the Bank is affected, Reputational Risk Management must be involved to perform in-depth

research into possible environmental and social risks that may be associated with the existing or potential business partners or the content of the transaction. The department looks at information and reports from non-governmental organisations and analysts as well as media reports and company publications. The analysis is concluded with a differentiated vote. Evaluation is based on a five-point scale and may result in the rejection of the product, the transaction or the business relationship.

In 2020, Commerzbank's Reputational Risk Management department assessed around 4,500 transactions, business relationships and products relating to specific environmental, social and ethical issues (2019: 5,450 votes). The decline in votes resulted in particular from a further focus on business relationships. In view of the special risks associated with the coal and arms sectors, the Board of Managing Directors of Commerzbank has adopted dedicated directives that define many of the relevant transactions and business relationships in these areas as being subject to assessment. For example, Reputational Risk Management performs a critical, case-by-case review of all transactions relating to the delivery of individual coal-fired power plant components. Financing of arms supplies is also assessed on a case-by-case basis in accordance with the arms policy.

[Requests for assessments in reputational risk management in annual comparison](#) (PDF, 19 kB)

[Breakdown of risk assessment by sector](#) (PDF, 26 kB)

Raising employee awareness of the business relevance of non-financial topics is accomplished, amongst other things, via a quarterly newsletter. Due to the great importance of the fossil energy sector in reputation risk management, one issue of the newsletter in 2020, for example, was devoted to the potential risks of oil drilling in the Arctic (Arctic drilling). In addition, there are presentations at selected locations, participation in internal committees, and continuous exchange with the market side on assessment processes and controversial issues. Reputational risk reviews are carried out not only for new business, but also for business renewals and in response to specific incidents. Reputational Risk Management department uses a qualitative approach to manage reputational risks from the outset.

As a department within the Group Communications division, Reputational Risk Management falls under the direct responsibility of the Chairman of the Board of Managing Directors. The management of reputational risks also forms part of Commerzbank's overall risk strategy. If Reputational Risk Management identifies a material reputational risk in the course of an assessment, a member of the Divisional Board will always be involved. In serious cases, the matter can be escalated to the Group executive body. In order to raise awareness and identify risk concentrations at an early stage, all material and high reputational risk votes are presented to the full Board of Managing Directors and the Risk Committee of the Supervisory Board on a quarterly basis in the form of a report.

To continue developing its reputational risk management, Commerzbank monitors issues of potential environmental and social relevance on an ongoing basis and checks how they may be embedded in the Bank's internal processes and evaluation criteria. All sensitive issues, positions and directives are reviewed regularly and updated as necessary. The voting and reporting processes are

also updated if required.

[Environmental and social risk management processes in Commerzbank](#) (PDF, 41 kB)

The majority of our cash-flow-oriented project financing and structured financing business is transacted in Europe. In these cases, we carry out thorough due diligence to ensure that national environmental regulations are observed. If we do finance such projects, we work with either supranational bodies, such as the International Finance Corporation (IFC), or with national export credit insurance agencies. As a result, the standards of the supranational institutions or national export credit insurance agencies (OECD Common Approaches) automatically apply.

Commerzbank realises that banks can exert influence beyond their own organisations where sustainability is concerned, which is why it actively addresses sustainability issues with its corporate clients, for example as part of its membership in the Bremen Cotton Exchange. We do so as the need arises to clear up grey areas bilaterally or to coordinate the conditions for banking services.

But responsibility in the lending business does entail even more when it comes to retail banking: "Responsible lending" is a holistic advisory approach that also pays attention to possible changes in the customer's economic situation. For this case, there are special units in the Bank's risk area that deal with early risk identification. Their task includes identifying customers with emerging financial problems at an early stage - and thus, if possible, before existential problems arise - and jointly agreeing on measures that ideally lead to a regulated repayment process.

SF1 Products and Services designed to deliver a specific Social Benefit

Nr.	Disclosure	UNGC	SDG
SF1	<p>Products and services designed to deliver a specific social benefit</p> <p>It is not easy to clearly separate products and services designed to deliver a specific social benefit from other products and services because the social benefit depends largely on the customer's motives for buying the product or service, which are beyond the scope of any analysis that Commerzbank is capable of performing. Nevertheless, the Bank does have a range of offers, particularly in the private customers segment, that feature a social benefit component. They include, in particular, residential property and pension products. Commerzbank's gross home loan business totalled around 1,9 billion euros in 2020.</p> <p>Building up equity to buy property at a later date and long-term interest rate hedging in terms of home loans and modernization measures have come into focus against the backdrop of the low-interest environment, while personal pension products and insurance against life risks have remained key advisory topics for customers. In the insurance business, agreements on subsidised "Riester" products and basic pension covers worth a total of around 139 million euros were concluded during the reporting year. Commerzbank's provision portfolio includes products for risk protection, such as term life insurance and occupational disability insurance, as well as additional products for the formation of a pension provision plan (private</p>	1-6	<u>1</u> , <u>11</u>

pension). For the most part, security-oriented provision plans in investments are in demand.

In addition to the loan programmes of the German Federal Government, whose funds are made available by KfW via the respective partner bank, we have also set up a separate loan programme for small and medium-sized enterprises. Customers can thus be provided with liquidity quickly, allowing them to bridge the time until KfW funds are disbursed. In addition, from April to September 2020, we automated the KfW Express Loan (KfW Schnellkredit) and the KfW Entrepreneur Loan (KfW Unternehmerkredit) with the support of Smart Automation Technology. By eliminating numerous manual steps in the application process, we can process inquiries faster, shorten turnaround times, increase data quality, and, at the same time, respond more flexibly in the event of a further increase in KfW application numbers. In order to provide financial relief to private customers who are affected by loss of income as a result of the coronavirus pandemic, e.g. due to reduced working hours, we offered payment suspensions for consumer and mortgage loans that go beyond the statutory deferrals. The Bank has built up additional resources to handle the high number of applications for these products in a timely manner. In addition, we informed our customers in good time about the end of the deferral period.

SF2 Products and Services designed to deliver a specific Environmental Benefit

Nr.	Disclosure	UNGC	SDG
SF2	<p>Products and services designed to deliver a specific environmental benefit</p> <p>Global efforts to combat climate change require not only favourable political conditions and new technologies, but also adequate financial resources. This entails business opportunities for Commerzbank. At the same time, the financing of green technologies and business ideas that could mitigate climate change also makes a concrete contribution towards the successful transition to a low-carbon, sustainable future economy.</p> <p>Sustainable Finance is not a new topic for Commerzbank: Corporate and project finance along the entire value chain of renewable energies has been part of its portfolio since the 1980s. The core business of Commerzbank AG's <u>Center of Competence (CoC) Energy</u> with its sites in Hamburg and New York is the global provision of finance to wind and solar parks. These are operated in particular by independent power producers, project developers, institutional investors and energy utilities. Today, we are one of the main financers of renewable energies in Europe and are also increasingly driving internationalisation forward in the rest of the world. Among the new contracts concluded in 2020, wind onshore and photovoltaic financings in the USA, Spain, France and the Netherlands are particularly noteworthy. As in previous years, wind offshore was also a core topic. The credit exposure of the Energy CoC (exposure at default) amounted to around 5.1 billion euros in 2020 (2019: 5.1 billion euros).</p> <p>Project financing of renewable energies by technology (PDF, 30 kB)</p> <p>Commerzbank also incorporates sustainability aspects in the development of traditional financing solutions. We advise corporate</p>	7-9	7, 12, 13

customers on the benefits of public development loans such as the KfW energy efficiency programmes or the KfW climate protection initiative for SMEs. With a share of around 8% in KfW's commercial energy efficiency programmes, we are one of the leading banks in Germany when it comes to the use of public-sector funding for such investments by small and medium-sized enterprises.

Commerzbank makes additional contributions towards climate protection with the award of mortgage loans under which we promote energy-efficient construction and acquisition with attractive financing conditions. With the "Green Mortgage" introduced in September 2019, we offer an additional interest discount on loans in the amount of 0.10% for the construction, modernisation or acquisition of buildings – for personal or third-party use – whose final energy demand is less than 75 kWh per square metre of usable floor space.

The Green CBU+ (Commerzbank Universal Loan), an individual loan for corporate customers, is used to finance sustainable commercial or private investments. These include, for example, those investments that reduce the consumption of resources such as petrol, electricity or water by at least 30%, or have a positive effect on CO2 emissions. Commerzbank supports the financing of such projects with a more favourable customer interest rate.

In the investment business, too, we want to contribute to sustainable development and take advantage of the associated business opportunities, for example through the offer of sustainable funds, the integration of sustainability aspects in asset management and through sustainable capital market instruments.

As early as in 2007, the former investment banking firm Dresdner Kleinwort was the syndicate leader of the world's first green bond. Since then, we have supported a large number of customers in preparing and issuing sustainable bonds. In the year under review alone, Commerzbank AG acted as lead arranger for the issue of 31 sustainable bonds. The total volume of all green and social bonds issued under the lead management of Commerzbank in 2020 amounted to 46.3 billion euros (2019: 12 billion euros). In addition, we are engaged in various interest groups and professional associations and thus contribute actively to the further development of the market for sustainable bonds.

In mid-September 2020, Commerzbank issued another green bond with an issuance volume of 500 million euros. This is the Bank's second green bond and follows the inaugural issue in October 2018. Commerzbank will use the proceeds to finance renewable energy projects. The bond has a term of 5.5 years with a call date in March 2025 and a coupon of 0.75% per annum. Commerzbank has earmarked the bond proceeds for loans for onshore and offshore wind and for solar projects in Germany, other European countries and North America. The projects financed by the green bond will help cut CO2 emissions by around 850,000 tonnes per year. Commerzbank has been a signatory of the Green Bond Principles since 2014. The Bank has been a partner in the Climate Bonds Initiative since January 2020.

In 2020, the Bank also acted as joint lead manager in the issue of the German federal government's first green bond. For us, the federal government's mandate is recognition of our achievements in

this market, for although the market segment is still relatively young, we have extensive expertise in this area. Shortly thereafter, we assisted the European Union in issuing two social bonds under the SURE programme, with which the EU helps member states deal with the impact of the coronavirus pandemic and safeguard jobs in the EU.

Commerzbank participates in the European Emissions Trading Scheme (EU ETS). It advises companies on the procurement of carbon emissions rights and certificates and the associated risk management aspects, and implements the resulting trading strategies for customers. This is accompanied by the option of voluntary carbon offsetting for companies not subject to the mandatory EU ETS. As a member of the World Bank's Carbon Pricing Leadership Coalition (CPLC), the Bank also participates in the global debate on carbon pricing.

Commerzbank also arranges, structures and places sustainable promissory note loans and syndicated loans in the form of green loans or ESG-linked loans for companies in a wide range of sectors. ESG-linked loans, also known as positive incentive loans, are a comparatively new product category but one that is seeing very dynamic growth. With this type of syndicated loan, the conditions are linked to sustainability criteria such as the borrower's ESG rating. The better the criteria perform, the lower the interest rates – and vice versa. Commerzbank AG was involved in 27 green or ESG-linked loans with a total volume of 44.4 billion euros in 2020. Since 2017, we have been participating in working groups of the Loan Market Association to actively shape the implementation of sustainability in the syndicated loan market.

The range of sustainable and therefore also green investments is also becoming a more important factor in the private customers segment. In this respect, we contribute towards sustainable development and take advantage of the associated business opportunities. Thanks to strategic partnerships with selected investment fund providers, we offer sustainable investments in products such as bonds and stock or pension funds in areas such as climate protection, solar energy and wind energy, and integrate sustainability aspects into asset management as well as sustainable capital market instruments. At the same time, our processes guarantee that investments in controversial areas such as the arms industry or direct investments in agricultural commodities are excluded. As part of promotional conditions, we offered a large number of sustainability funds online and in our branches without issue surcharges or purchase fees during different promotional campaigns throughout 2020 in order to attract more customers to this investment option. With Commerz Real's Klimavest impact fund, private investors have the opportunity to invest in sustainable tangible assets in the field of renewable energy – exclusively with us. With Motive-Investing from Comdirect, customers can invest specifically in megatrends, including sustainability. For such a sustainability portfolio, Comdirect provides sustainable funds, exchange-traded funds (ETFs) and shares from which the customer can compile their preferred portfolio. Savings plans or ETFs are available to Comdirect customers in the form of sustainable products as well.

Our Asset Management also pledged to uphold the Principles for Responsible Investment (PRI) in September.

Our cooperation with Bergwaldprojekt e. V. started in autumn 2018 with the nationwide "Paperless and happy!" campaign. For every customer who opted for paperless account management, 1 sqm of publicly owned forest area in Germany was reforested. Although the campaign has come to an end, we are continuing the cooperation together with our customers: The reforestation area now amounts to an impressive 928,203 sqm at 29 locations.

SF3 Assets subject to Positive and Negative Environmental or Social Screening

Nr.	Disclosure	UNGC	SDG
SF3	<p>Assets subject to positive and negative environmental or social screening</p> <p>Commerzbank offers its customers an increasing number of investment opportunities in the growing market of responsible investments. For example, it distributes sustainability funds from various providers to private and institutional customers.</p> <p>Wealthy private individuals and corporate customers can agree individual sustainable asset management with Commerzbank AG where, on the equity side, investments are made exclusively in individual equities with a high sustainability rating. We have set ourselves the goal of tripling the percentage of sustainable investments in the total volume of assets managed by Asset Management for retail banking by 2020 versus the 2017 level. We have already achieved this goal in spring 2020.</p> <p>In addition, Commerzbank AG's entire asset management system is breaking new ground in terms of comprehensive consideration of <u>sustainability criteria</u>. All mandate solutions that also invest in individual assets such as stocks or bonds integrate certain sustainability criteria into the selection process for stock selection. In addition, institutional investors who obtain their equity research from Commerzbank have also been receiving quantitative sustainability indicators from Arabesque S-Ray along with in-depth analyses of ESG factors on specific individual stocks. Commerzbank Research evaluates companies in terms of their compliance with the principles of the UNGC and draws up an ESG score. This information is made available to customers in addition to fundamental equity votes.</p> <p>The Commerzbank Group also takes sustainability aspects into account in its company pension scheme in Germany, with asset managers only selected for the pension plan if they have signed the UN PRI.</p> <p>Commerzbank discontinued proprietary trading in its investment banking as early as in 2004. Sustainability aspects are also playing an increasingly important role in the Bank's own investments. As part of its liquidity management activities, Commerzbank AG is increasingly investing in sustainable bonds and building up its own ESG portfolio. To this end, the Bank plans to invest an increasing proportion of its own assets in green and social bonds. By the end of 2020, the volume had already reached around 1 billion euros.</p>	1-10	<u>10</u>

[Download](#) (PDF, 1.5 MB)

- [Back to sustainability website](#)

© 2004-2015 Commerzbank AG D-60261 Frankfurt am Main