

Report according to Global Reporting Initiative

For 2019, 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. Its subsidiaries Comdirect in Germany and mBank in Poland are two innovative online banks. At the end of September 2019, Commerzbank presented the key elements of its new strategic programme "Commerzbank 5.0". This includes the integration of Comdirect into Commerzbank AG. With the new strategy, the Bank makes investments in technological innovation and in its core business, thus accelerating digitalisation, creating growth and increasing its efficiency. In addition, the issue of		

	social responsibility will be anchored even more firmly in the business model.	
102-3	Location of headquarters Commerzbank AG's headquarters are located in Frankfurt am Main, Germany.	
102-4	Location of operations Commerzbank has locations in almost 50 countries. As of 31 December 2019, outside Germany, the Bank is represented in all of the world's major financial centres through 6 material Group companies, 20 operational foreign branches (2018: 20) and 30 representative offices and financial institutions desks (2018: 31). The focus of the Bank's international activities is on Europe. For details on Commerzbank's global presence, please see the Annual Report 2019 (rear jacket).	
102-5	Ownership and legal form Commerzbank is a public limited company (AG) under German law. On 31 December 2019, approximately 40% of all Commerzbank shares were held by our major shareholders – the Federal Republic of Germany and Cerberus – as well as private shareholders, who are mainly resident in Germany. Approximately 60% of all Commerzbank shares were in the hands of institutional investors, in particular the Norwegian State through Norges Bank and Blackrock. Free float stood at roughly 80%. Shareholder structure (PDF, 28 kB)	
102-6	Markets served Commerzbank is a leading international commercial bank with branches and offices in nearly 50 countries . The Bank serves more than 16.9 million private and small-business customers and over 70,000 corporate clients, including multinationals, financial service providers, and institutional clients worldwide. Commerzbank transacts approximately 30% of Germany's foreign trade and is the market leader in German corporate banking. The Bank offers its sector expertise to its corporate clients in Germany and abroad and is a leading provider of capital market products. With approximately 800 branches going forward, Commerzbank has one of the densest branch networks in Germany, through which all customers are served. In addition, Commerzbank is directly represented at the most important business centers for its customers, with 445 foreign branches (2018: 414).	
102-7	Scale of the organisation In financial year 2019, the Commerzbank Group generated gross income of 8.6 billion euros and an operating profit of almost 1.258 billion euros, with a headcount of around 48,500 employees. Consolidated profit attributable to Commerzbank shareholders stood at 644 million euros. Total assets stood at 463.6 billion euros as at 31 December 2019. Key performance indicators Commerzbank Group (PDF, 54 kB)	
102-8	Information on employees and other workers At the end of 2019, 29,415 people were employed at Commerzbank AG in Germany. Another 3,367 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	6

Germany. Headcount at Commerzbank AG in Germany decreased year on year by 1,151 employees. The majority of employees have permanent employment contracts. Around 29% of our employees currently work part-time. The proportion of external employees at Commerzbank is not significant.

[Total workforce at Commerzbank AG \(Germany\) by gender and type of employment](#) (PDF, 24 kB)

[Employment split \(full time/part time\) at Commerzbank AG \(Germany\) by gender and workforce by type of contract and gender](#) (PDF, 25 kB)

[Employees at Commerzbank AG \(Germany\) by place of work and type of contract](#) (PDF, 24 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 HR services and mobility services) and buildings, logistics and insurance (such as construction works, operational management of buildings and banking technology). Please see 308/103 and 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 2019](#) (p. 71 et seq.). In the course of the year, decisions were taken regarding personnel changes to the Board of Managing Directors and their entry into force on different dates in 2020. Furthermore, Commerzbank officially conducted negotiations on a possible merger with Deutsche Bank in March and April 2019. Following a thorough examination, it became clear that such a merger would not be in the interests of the shareholders of both companies and other stakeholders. Following the successful experience with the agile working method within the scope of "Digital Campus", the development of digital products and services for our customers has been underway since mid-2019 through a new so-called Cluster Delivery Organisation, referred to as "Campus 2.0". In addition, the Bank is bundling its digital expertise by the planned integration of Comdirect into Commerzbank AG. At the beginning of July 2019, Commerzbank AG successfully issued its first Additional Tier 1 bond.

102-11**Precautionary Principle or approach**

We have defined areas of action for sustainability management at Commerzbank, describing the primary challenges and establishing a framework for how we respond to them. These areas are Sustainable Corporate Governance, Markets & Clients and Environment & Society. We want to take every opportunity to avoid risks to our business and seize the potential to steer the business in a future-oriented direction. 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 2019](#) (p. 97 et seq.).

The early identification of environmental or social risks and the

12

steps taken to adequately deal with them play a role in the Group's overall risk strategy and management via our Reputational Risk Management. Part of this approach to reputational risk management includes checking products, transactions and customer relationships where sustainability aspects are particularly important. We focus on socially, ethically and environmentally sensitive topics, such as places where projects lead to increased inputs of pollutants into the air, water and soil or may be associated with overuse of natural resources. We also ensure human rights are respected throughout our business with customers. For example, our business might involve local residents or employees involved in raw material extraction in developing and emerging countries. Reputational Risk Management determines conditions and limits of Commerzbank's business activity through differentiated evaluations and by rejecting transactions, products or customer relationships that do not meet specified conditions.

In 2019, Commerzbank AG's Reputational Risk Management department assessed around 5,450 transactions, business relationships and products relating to specific environmental, social and ethical issues (2018: 5,900 votes). The decline in the number of votes was due to an adjustment in the voting scope and a more restrictive approach to transactions in controversial sectors. In view of the special risks associated with the energy and arms sectors, Commerzbank AG has passed its own directive for arms and coal that defines 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. Please see the section entitled "Sustainable finance" for details on reputational risk management.

[Requests for assessments in reputational risk management in annual comparison](#) (PDF, 17 kB)

[Breakdown of risk assessment by sector](#) (PDF, 47 kB)

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)
- DAX 30 declaration regarding women in managerial positions (2011 signatory)
- 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)

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

- VfU's Finance Forum on Climate Change (since 2007; previously in the Federal Ministry of Education and Research)
- Sustainability management (previously: Sustainability) working group of the Association of German Banks (since 2013; founding member)
- Sustainable Trade working group of the International Chamber of Commerce (since 2016)
- Green Finance working group at the Institute of International Finance (since 2016)

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](#)

2. Strategy

Nr.	Disclosure	UNGC	SDG
102-14	<p data-bbox="309 400 895 432">Statement from senior decision-maker</p> <p data-bbox="309 436 507 468">Dear Readers,</p> <p data-bbox="309 499 1182 757">In recent months, we have all been made aware of how important it is for each individual to take responsibility when it comes to living together in a society. The coronavirus pandemic has changed our everyday lives. By wearing a protective face mask and adhering to the distancing regulations, we show responsibility for each other and protect each other from infection. Together we make a contribution towards strengthening social cohesion.</p> <p data-bbox="309 788 1171 916">As Commerzbank, we are also part of society and acknowledge our responsibility. We have underlined this with our strategy "Commerzbank 5.0 - digital, personal and responsible", which was adopted in September 2019.</p> <p data-bbox="309 947 1193 1173">For us, being responsible means that we stand at our customers' side - even in difficult times, such as the coronavirus crisis. We have enabled our private customers to temporarily suspend the payment of their loan instalments. And in over 20,000 advisory meetings with our corporate clients and small business customers, we have developed solutions to help them overcome the economic challenges of the coronavirus crisis.</p> <p data-bbox="309 1205 1201 1433">At the same time responsible also means sustainable. I am convinced that sustainability must become a natural part of our actions. Especially in times of crisis, it is crucial to play an active role in making society fit for the future. In concrete terms, this means for us that we show an unchanged level of commitment in supporting the economy in its transformation to greater sustainability.</p> <p data-bbox="309 1464 1174 1563">With this in mind, we became a signatory to the United Nations Principles for Responsible Banking in September 2019, which require us to make precisely this commitment.</p> <p data-bbox="309 1594 1201 1758">The central question for us is: How can we, as a financial services provider, support our customers in becoming more climate-friendly? After all, at Commerzbank, we are convinced that, together with our customers, we can contribute significantly to achieving the Paris climate target.</p> <p data-bbox="309 1789 1198 2047">We have been offering our customers sustainable financing solutions since the late 1980s, and have been continuously expanding our product range ever since. This includes project financing in the renewable energy sector as well as the structuring and placement of green and social bonds. We also trade in voluntary CO2 compensation certificates. In addition, we are active in European emissions trading (EU-ETS) and advise companies on the procurement of emission allowances.</p>	1-10	<u>7,</u> <u>12,</u> <u>13</u>

In our business with private clients, too, we aim to steer financial flows in such a way that they serve sustainable development - on the investment side as well as in financing. We have, for instance, developed "Green Mortgage" with attractive financing options for energy-efficient buildings.

Another aspect of our Group-wide strategy project "Sustainability 5.0" is the development of a methodology with which we will be managing our loan portfolio in line with the Paris Climate Agreement in the future. The better we succeed in identifying and assessing our customers' climate risks, the greater the stability and reliability of our business model. And the following will continue to apply in the future as well: Commerzbank - the bank at your side.

This also includes our commitment to the ten universal principles of the UN Global Compact (UNGC) on human rights, labour, environment and anti-corruption, as well as the 17 Sustainable Development Goals of the United Nations. We present Commerzbank's achievements and progress in the area of sustainability in 2019 in this GRI Report, which also serves as our UNGC Progress Report for the year 2019.

Yours
Martin Zielke
Chairman of the Board of Managing Directors, Commerzbank AG

102-15 Key impacts, risks, and opportunities

12

In its sustainability strategy, Commerzbank has expressed its commitment to rising to global challenges in its role as a responsible partner for sustainable economic and social development. To do so, we monitor relevant megatrends, analyse current developments and evaluate them in terms of potential opportunities and risks. Our goal at all times is to reduce potentially negative impacts of our financial services. To take risks for the environment and society into account in its corporate decisions, Commerzbank drafted a policy framework for handling environmental and social risks in its core business and published it online in 2018. It is updated regularly. In addition, we develop, market and sell products and financial services capable of promoting sustainable development. Please see chapter "Sustainable Finance" for details.

The Bank's strategy "Commerzbank 5.0: digital, personal and responsible", published in September 2019, solidifies its corporate responsibility even more firmly within its business model for the future. Responsible banking is embodied in the triad of integrity, data security and sustainability. Integrity and compliance are essential components of our business model (see 205/103, 419/103). The responsible handling of our customers' data has always been one of Commerzbank's core competencies - and is becoming increasingly important with the advent of digitalisation (see 418/103). We also want to make a greater contribution to mitigating climate change by taking better account of climate risks in financing decisions, significantly expanding our range of environmentally friendly products and increasing the share of renewable energies in the energy mix we finance (see chapter „Sustainable Finance“). Sustainable banking also means keeping our own ecological footprint as small as possible (see 302/103).

To underpin the commitment to responsible banking formulated in "Commerzbank 5.0", in September 2019 Commerzbank AG became founding signatory of the United Nations Principles for Responsible Banking. The six principles support the goals of the Paris Agreement and the UN Sustainable Development Goals.

In developing the new strategy, Commerzbank was able to build on many years of experience and a wide range of measures for sustainable business development. The relevant areas, including the customer segments along with Compliance, Human Resources and the data protection, environmental management, purchasing and IT units, jointly formulated a Sustainability Programme comprising 100 goals back in 2017, and we have been working to achieve or further develop these goals ever since. We also present this in part in the Corporate Responsibility Magazine 2019 (p.31 et seq.).

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. We undertake to comply with legislation, directives and market standards as well as voluntary commitments, such as the <u>UN Global Compact</u>, and various internal policies. For example, the binding principles of the global <u>Code of Conduct</u>, distinguished by the magazine „Compliance-Manager“ in 2019, provide employees with clear guidance on how to conduct themselves properly and ethically during their daily work. These principles make it clear what Commerzbank expects from all of the Group's employees; that they not only comply with laws, regulations and internal guidelines, but also act within our value system.</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 United Nations Global Compact and continuous improvement; • <u>Sustainability strategy</u>, with nine principles guiding the Bank's action; • <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>

An overview of these guidelines can be found on Commerzbank's [sustainability website](#).

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. To ensure that it can perform its duties efficiently, the Supervisory Board has formed 8 committees from its members. The Supervisory Board also set up a temporary special committee to advise and monitor the Board of Management on the discussions with Deutsche Bank to examine a merger on 2019 March 21, which was dissolved on 25 April 2019. The current composition of the committees is described on page 15 of the Annual Report 2019. Additional information can be found in the Annual Report 2019 in the report of the Supervisory Board (pp. 6-14) and in the corporate governance report (pp. 23-28).</p> <p>At Commerzbank, Group Communications is responsible for managing the topic of corporate responsibility in two departments:</p> <ul style="list-style-type: none"> • Sustainability Management is responsible for the strategic framework and ensures its implementation through a Sustainability Programme. It maintains a dialogue with stakeholders and is responsible for internal and external communications on corporate responsibility. • Reputational Risk Management analyses transactions, customer relationships and products, above all to check whether they are compatible with our sustainability principles. It also works closely with the Bank's traditional risk management functions and liaises with appropriate non-governmental organisations, sustainability rating agencies and analysts on relevant issues. <p>Organisational structure of corporate responsibility at Commerzbank (PDF, 44 kB)</p> <p>The publication of the new strategy was the kick-off for the "Sustainability 5.0" project, which aims to anchor corporate responsibility even more firmly in the Bank in future. The customer segments, risk management and numerous other</p>		<u>12</u>

Group divisions are involved in the project. Group and Divisional Board Members have assumed responsibility for the overall project. The project teams have set themselves ambitious goals and are working on the implementation of agreed measures and the development of new ones as well as on control systems for their review. We will be reporting on the results of this project in the coming years.

The process is also supported by the "Sustainable Finance Committee", a body for the networking of units and activities related to sustainable finance at Commerzbank. With this committee, the Bank wishes to actively support international transformation processes, and to tap into new and innovative business areas (see also p. 10 et seq. in the Corporate Responsibility Magazine 2019). Interdisciplinary cooperation enables and promotes a comprehensive exchange of information, which supports the development of new and the improvement of existing sustainable offers.

102-25 Conflicts of interest

16

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 are in accordance with the legal requirements and the European recommendations, apply to the members of the Supervisory Board.

Information on the subject is available in the Annual Report 2019 (pp.12, 25 et seq., 60).

102-35 Remuneration policies

5

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 conditions.

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 to create 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. We also offer our employees the opportunity to lease cars, high-quality bicycles or IT equipment for private use through the Bank.

The remuneration system for the Board of Managing Directors supports the sustainable development of Commerzbank's Group strategies and its strategic goals. The targets set annually for variable remuneration promote the long-term development of Commerzbank. These always includes non-financial objectives, such as specific targets for customer and employee satisfaction, targets for increasing the proportion of women in management positions, specific targets for risk and reputation management and compliance targets.

Detailed information on the remuneration of the Board of Managing Directors and Supervisory Board is provided in the Remuneration Report in the [Annual Report 2019](#) (pp. 29-44).

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>The salaries of 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. 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 (102-8).</p>	3	8
102-42			

Identifying and selecting stakeholders

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.

102-43 Approach to stakeholder engagement and 102-44 Key topics and concerns raised

12

Commerzbank commits itself to dialogue on the key social, economic and fiscal issues. The following forums and the results arising therefrom present a selection of strategic communications with our stakeholders.

Customers

The Group's companies actively engage with customers so as to systematically consider the interests of customers. Experts engage with customers in various forums to ensure that their ideas and suggestions are taken into account when developing products and services. One example of this is the "UX Studio": a test laboratory where we involve customers right at the development stage for digital products and services. UX stands for "user experience" and therefore the experience that a customer has when using a product. In the UX Studio, products and services can already be tested and experienced at the development phase, thereby providing the opportunity to give feedback directly to the development team responsible. This feedback allows for cost-efficient and fast adjustments to be made and better alignment to customer needs.

The 2019 Unternehmerkundenstudie commissioned by Commerzbank focused on the challenges for company founders. The survey polled around 3,000 freelancers, craftspeople and tradespeople throughout Germany who founded their companies within the last six years. The results clearly show that women are in the minority when it comes to starting one's own business, and that a large proportion of founders start their own business only with equity capital. Bureaucracy makes life difficult for company founders, with customer acquisition and tax issues also presenting numerous challenges.

Matters relating to SMEs are at the heart of Commerzbank's "Unternehmerperspektiven" initiative (Business Owners' Views), established in 2006. Once a year, it surveys 2,000 owners and managers at the first management level in companies of different sizes and industries. Representatives from business, associations, politics and science debate the results within the framework of interactive events. The focus in 2019 was on internationalisation. The study "How secure are the markets: managing risks in international business" showed how SMEs deal with geopolitical uncertainties. At twelve events across Germany, one in Switzerland and one in Belgium, participants had the opportunity to exchange viewpoints, gather ideas for successful internationalisation projects and forge new contacts.

Commerzbank's corporate client segment conducts regular customer surveys on specific topics for the development of these services. This ensures that the Bank gains an insight into what customers want and need, and this is then used in the creation of

products and processes. The aim of this is to align product optimisations and innovations with customer needs, e.g. in terms of digitalisation. Other surveys provide information on how satisfied corporate clients are with the support in this segment along with what they want and need to gain from the collaboration.

Shareholders / investors

Sustainability rating agencies combine the expectations of investors with regards to the Bank's consideration of sustainability aspects. With the interest in these matters growing among our investors, the importance of the sustainability ratings is growing too. Commerzbank cultivates 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 analysts assess our sustainability performance. The rating results can be found [here](#).

Further details about shareholder communications can be found in the [Annual Report 2019](#) (p. 28 et seq.). In addition, the Chairman of the Supervisory Board is prepared, within an appropriate framework, to hold discussions with investors on topics related specifically 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 AG 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, in July 2019, Commerzbank conducted, for the first time, a short survey of 3,500 randomly selected employees. The results showed that the vast majority of employees are happy at work, even though the recent headcount reductions have demanded a great deal from them. The survey, known as the "Pulse Check", will, in future, be conducted twice a year with around 10% of the workforce each time.

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 1,250 ideas were submitted during the reporting year. The successful ideas in 2019 included two measures that help to minimise risk by providing the responsible relationship manager with information on specific transactions. On the one hand, this involves the designation of large credit turnovers in the automatic disposition, so that potential

compliance cases may be detected at an early stage. At the same time, this ensures that the manual approval by the relationship manager, which is required as of certain amounts, is issued on the same day. On the other hand, a flag is set in relation to seizure protection accounts, which ensures online credit card orders are individually checked. Both ideas are of great benefit to the Bank and demonstrate above-average employee commitment to the Bank.

Supervisory Board

A total of eleven Supervisory Board meetings were held in 2019. In addition, the employee representatives met for an all-day strategy meeting, as did the shareholder representatives. All of the regular meetings focused on the Bank's current business situation, which was discussed in detail in each case with the Board of Managing Directors. The Bank's economic and financial development, risk position, strategy and implementation status, corporate planning, share price development, compliance issues, the risk management system, the internal control system as well as sustainability issues were all addressed in greater detail. In addition, economic development and orientation of individual business areas formed the focal points of the Supervisory Board activities. The Supervisory Board was also comprehensively informed of the negotiations with Deutsche Bank to discuss a possible merger and involved in an advisory capacity. Furthermore, the Supervisory Board was informed about the latest status of various regulatory audits and, in particular, about the official end of the US monitor. Details of the individual meetings can be found in the [Annual Report 2019](#) (pp. 6-9).

In 2019, two roadshows (January 2019 and October 2019), amongst others, were organised with the Chairman of the Supervisory Board, Dr Stefan Schmittmann, and the Bank's key European investors. The main topics were questions pertaining to the corporate governance complex and the fields of activity of the Supervisory Board.

Politics

We have established several event formats for dialogue with political representatives. 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 (see also p. 10 et seq. in [Corporate Responsibility Magazine 2019](#)). 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 Task Force on Climate-related Financial Disclosures (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: Guests at events in 2019 included Antje Leendertse, State Secretary at the Federal Foreign Office, and Bibiana Steinhaus, the only female referee in the 1st German Football League. In "Commerzbank in Dialogue", the Chairman of the Board of Managing Directors of Commerzbank debate issues with high-profile personalities from politics or business.

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. The findings are included in our decisions on business policy. In the year under review, this exchange continued to focus on climate protection and CO₂ emissions associated with coal-fired electricity generation.

Information on the inclusion of stakeholders in the materiality analysis is available under 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 <u>Annual Report 2019</u>. For a list of all entities included in the scope of consolidation, please see pp. 273-276 and 289-291 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</p>		

activities on the environment and society.

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 of the [Corporate Responsibility Magazine 2019](#)). 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 2019 report. An exception to this is the adjusted reporting based on the updated standard GRI 403: Occupational Health and Safety from 2018. Furthermore, the new standard GRI 207: Taxes from 2019 was included.

102-50 Reporting period

All figures in this GRI report relate to the period from 1 January 2019 to 31 December 2019. Information outside this reporting period is marked with the respective date. This is particularly the case in this report with reference to the Corona pandemic that occurred in 2020. The editorial deadline was 15 June 2020.

102-51 Date of most recent report

The last GRI report was published in July 2019 with information relating to the reporting period 2018.

102-52 Reporting cycle

Since reporting year 2014, Commerzbank has released an annual update of this GRI report. The Bank additionally publishes its [Corporate Responsibility Magazine 2019](#) every two years. It examines key issues from the company's sustainability management activities. 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 Communications

	Sustainability and Issue 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 <u>externally verified</u> by DNV GL 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 2019, 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>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. 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-channelplatform "ONE", available to both customers and advisors,</p>		<u>9,</u> <u>10</u>

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

To make Commerzbank offers available to all interested parties, we place great emphasis on designing our branches and online offers to be easily accessible. Wherever possible, we implement accessibility for new acquisitions, re-equipment or the conversion of buildings and business premises. If this is not possible or is only possible to a limited extent, such as listed buildings or due to public regulations, we offer – if possible – suitable alternatives. In 2019, some 65% of our branches ensure low-barrier accessibility. 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 in its Sustainability Programme, including 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.

In the context of the 2020 coronavirus pandemic, access to financial services plays an important role, especially in difficult external circumstances. In order to protect customers and employees, Commerzbank temporarily closed most of its branches. In the meantime, customer advisors could still be reached by telephone and e-mail, for example. 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. The implementation of protective measures is also a matter of course when re-opening all other branches.

203-1 Infrastructure investments and services supported

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

4,
11

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 2019, the programme was available throughout Germany, and 50 new participants took part in it. Since the programme launched in 2013, around 380 Commerzbank employees have helped more than 600 young people as education mentors with their first steps into working life.

As part of our efforts on behalf of the common good, almost 300 Commerzbank employees took part in the Malteser Social Day in 2019, supporting 28 social projects in eight towns and cities throughout Germany. Many of these charitable projects provided support to disabled people, senior citizens and refugees. Commerzbank employees also pitched in with the renovation and other structural work at day care centres and schools. Commerzbank has been participating in the Malteser Social Day since 2012. It excuses employees from their work for the day and pays the participation fee.

In 2019, employees of Commerzbank AG and Commerz Real once again had the opportunity to participate in the spare cent donation, as it is known, which rounds pay down to the nearest full euro amount and donates the difference. The 5,100 employees involved in the third year of the loose change initiative donated over 29,500 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 2019/2020 school year, 30 Commerzbank employees volunteered as school advisors. Senior managers also take part voluntarily as judges for the regional heats and European final.

Since 1986 and thus 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, more than 500,000 children and young people from more than 1,900 sport clubs have benefited from the initiative. Supporting popular sport is also the focus of the DFB Junior Coaches collaboration project. While the Deutscher Fußball-Bund (DFB, the German Football Association) trains young people at around 200 schools across Germany to work as junior coaches, 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 the start of the project in 2013, almost 20,000 young people have been trained as DFB Junior Coaches.

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, almost 30 years ago, more than 1,700 interns have been involved one of the participating national parks, biosphere reserves or nature parks. The graduates then contribute their experiences to business, politics, society or environmental protection.

Commerzbank donated a total of around 380,000 euros to different institutions and organisations in the past financial year.

For more information about Commerzbank's commitment to society, please see the [Corporate Responsibility Magazine 2019](#) (p. 25 et seq.) and the [Annual Report 2019](#) (p. 62 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:

- The [Commerzbank Foundation](#) focuses on supporting science, culture and social issues across Germany. In cooperation with its partner organisations, it creates incentives for young researchers in line with its mission to advance the cause of cultural education in our society – for example, through the "[ZukunftsGut](#)" prize for institutional cultural education, which was announced every two years since 2018. Last, but not least, it also supports projects that help disadvantaged people achieve greater self-determination. As a foundation under civil law, the Commerzbank Foundation continues the tradition of the dependent company foundation established in 1970.
- The foundation commitment at Commerzbank is complemented by the activities of the six [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. Two regional foundations also enable needy and eligible apprentices of Commerzbank to commence their apprenticeship or support needy pensioners 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, 54 kB)

[Endowment capital of foundations supported by Commerzbank](#)
(PDF, 51 kB)

In 2019, these foundations received a total of around 841,000 euros in support from Commerzbank for staff, workplaces and other material costs.

GRI 205 Anti-corruption

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>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 the US Foreign Corrupt Practices Act. We also adhere to the OECD's Guidelines for Multinational Enterprises and comply with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. We also take into account 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 <u>UN Global Compact</u> with its 10 principles – including the principle ten to arise against any kind of corruption.</p> <p>These external standards are supplemented with internal guidelines. Together they form the framework for Compliance Management for combating corruption. This includes the binding codes of conduct that provide 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.</p> <p>Commerzbank has introduced central prevention systems for the Group in order to identify, monitor, reduce and, if possible, avoid such risks. These include risk analysis and the associated implementation of new measures or the revision of existing measures, compliance audits as well as special checks in respect of the effectiveness of key compliance processes and the evaluation of their efficiency, further training, the <u>Global Code of Conduct</u>, the ABC Policy and other concrete procedures and process descriptions. These are supplemented by other individual measures applicable throughout the Bank, such as reliability checks of potential employees and due diligence checks of business partners. In addition to the tried-and-tested contact channels, such as via the compliance or audit departments, Commerzbank has set up a <u>whistleblowing platform</u> ("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.</p> <p>Newly signed contracts between Commerzbank and service providers contain a binding integrity clause. They are also regularly analysed for any indications of corruption in commercial databases as part of the due diligence process after the business</p>	10	<u>16</u>

relationship has been initiated.

We launched a conflicts of interest management system to prevent or adequately resolve potential conflicts of interest. In the corporate client segment, for example, Commerzbank uses a Conflict of Interest tool. This gathers data from around the world concerning transactions in the corporate client or capital market segment and reviews it. 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

Potential compliance risks are assessed and mitigated on the basis of risk analysis. It is carried out once a year and covers all relevant segments in Germany, subsidiaries in Germany and abroad, as well as foreign locations and branch offices. For the year 2019, 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.

The 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.

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

In order to provide employees with support in implementing the policies, the Group conducts ABC trainings. The mandatory anti-corruption training is completed by all employees, managers every year. 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.

As such, in 2019, 40 employees at the London branch were trained on the topics of fraud and ABC in face-to-face training sessions. In addition, "Compliance Bootcamps" were held for selected internationally active corporate client advisors in the form of three-day intensive training sessions in small groups. In addition, an anti-corruption team is available at all times to answer employee questions. Furthermore, all units and foreign locations have appointed employees who act as local contacts. 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 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. FAQs on dealing with public officials was created and published internally in 2019.

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 2019, just like last year.	10	<u>16</u>
--------------	---	----	-----------

GRI 207 Tax

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	<p>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.</p> <p>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.</p> <p>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 in respect of its business relationships with its customers and business partners.</p> <p>Tax liability also entails tax risks, i.e. uncertainties with regard to the tax assessment of relevant facts. These can arise, above all, from the complexity of the economic circumstances and the respective applicable tax system. Commerzbank has established internal management and control systems to identify and minimise tax risks.</p>	10	<u>16</u>
207-1	<p>Approach with regard to taxation 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. 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 compliance</p>		<u>16</u>

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 (TCM).

Furthermore, we do not support customers in avoiding taxes 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 207-4).

The Tax Compliance Management System 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. However, as of the end of 2019, one branch is situated in a location that is on the "Common EU list of third country jurisdictions for tax purposes": The branch office in Grand Cayman (GC) primarily provides treasury services for Group-internal units, thereby ensuring the financing of our branch office in New York, for example. In addition, the bundling of financing activities in the Grand Cayman branch office partially compensates for effects from the negative interest rate environment in Europe. All transactions are processed through the New York branch office within the scope of a pertinent service level agreement and are subject to United States tax law. The services of the GC branch office are used exclusively within Commerzbank.

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 annual 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 tax

16

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 exchange with the responsible local tax authorities. 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.

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 130 and 248 of the [Annual Report 2019](#).

207-4 Country-by-country reporting

16

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 2019](#) on p. 267 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 2019](#) p. 273 et seq.

[Country-specific reporting \(PDF, 56 kB\)](#)

2. Environment

GRI 302 Energy

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>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. "Environment & Society" is one of the three defined areas of action in our sustainability management (see Corporate Responsibility Magazine 2019, p. 30 et seq.) In order to reduce the Bank's environmental footprint, we continued working on the various measures for implementing our climate strategy (see 305/103) and on continuously refining our certified environmental and energy management system in 2018. This concerns the areas of energy, emissions and environmental compliance.</p> <p>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. 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</p>	7-9	<u>7</u> , <u>12</u> , <u>13</u>

management system and its regular reports give the full Board of Managing Directors a broad basis for their decision-making. The COO is responsible for environmental matters within the Board of Managing Directors. 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 GL Business Assurance Zertifizierung und Umweltgutachter GmbH in accordance with the ISO 14001 and ISO 50001 standards. In 2019, the system covered 93.3% of Commerzbank's electricity and heating energy consumption domestically and abroad. The targets for environmental protection regarding the Bank's operations can be found in the Sustainability Programme.

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. For example, it was not possible to collect information on losses related to cooling and extinguishing agents. The figures for staff commutes in locations abroad were not calculated either, as the necessary statistical base data is not available. An external verification has therefore not been performed yet. We continue to work on improving data quality for foreign branches as well.

The target of our climate strategy was achieved early in 2018 (see 305/103). To this end, we have put in place a large number of measures, including those in the fields of energy use and mobility. 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" is to cut energy consumption by 8% by 2020 compared to the base year 2014 (417.32 MWh). In 2017, we already significantly exceeded this target with a decline of 13.2% to 362.27 MWh. Energy savings compared the base year increased even further in the following years and have now reached -20.6% (331.43 MWh). Office space optimizations and an improved, weather-adapted extrapolation system for missing heating energy values have contributed to this.

Commerzbank has joined together with 14 other Frankfurt-based companies to participate 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	<p>Energy consumption within the organisation</p> <p>At Commerzbank AG Germany, approximately 71% of heat energy is obtained from natural gas. Outside Germany, more than 76% 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 1.4% in Germany, down by 0.1% compared to the previous year.</p> <p>Electricity consumption at Commerzbank AG Germany was able to be cut by 4.5% compared to the previous year. Total electricity consumption, however, fell by only 2.7%, due to the integration of a former subsidiary, the electricity consumption at the foreign locations increased by 26% due to the increase in the number of employees. While heating energy consumption in Germany remained almost constant, an increase was recorded abroad due to the increase of around 12% in rental space. The district heating and natural gas consumption of Commerzbank AG increased by 1.4% compared to the previous year.</p> <p>Direct energy consumption at Commerzbank AG (PDF, 49 kB) Energy consumption (electricity and district heating) by Commerzbank AG (PDF, 53 kB)</p>	7, 8	<u>7,</u> <u>12,</u> <u>13</u>
302-4	<p>Reduction of energy consumption</p> <p>Energy consumption at Commerzbank AG in Germany decreased by around 2.1% year on year in 2019. The measures implemented as part of the energy management system, such as optimising air conditioning systems, lighting, hours of operation and IT infrastructure made a significant contribution in this regard. Car-based business travel declined sharply at -10.4%, reflecting the 11.6% reduction in the total business travel activity of Commerzbank AG in Germany. This trend, which is based among other things on improved digital communication possibilities, was also evident worldwide. Business travel fell by 10% in Germany and abroad.</p>	8, 9	<u>12,</u> <u>13</u>

GRI 305 Emissions

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>The overarching approach to environmental and energy management regarding the Bank's operations under 302 also applies to 305. As part of our climate strategy, we have made a commitment to reduce Commerzbank AG's Germany CO2 emissions by a total of 70% by 2020 compared with the base year of 2007. 2007 was chosen as a base year for climate targets as this was the first year in which Commerzbank calculated its carbon footprint following the takeover of Dresdner Bank and this was also when the Corporate Responsibility Guidelines were developed.</p> <p>We have been implementing a variety of measures, in particular in terms of energy use and mobility, to achieve our climate target. This is primarily a question of avoiding greenhouse gas emissions</p>	7-9	<u>12,</u> <u>13</u>

or, in cases where this is not possible, of reducing them systematically. The climate target was achieved in 2018, two years prior the deadline. In 2019, the actions continued to work and increased the savings to 70.6%. 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 climate neutral. Additional details on climate neutrality and criteria for selecting projects as well as cancellation confirmations for certificate purchases in 2019 are available on the sustainability website.

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.

Our travel guidelines state that domestic air travel should be avoided whenever possible. They also require employees to instead use public transport as their first choice, look into travel-sharing opportunities and, where feasible, use technical alternatives such as video and telephone conferencing. This approach is making progress thanks to a project currently under way which focuses on digitally integrated communication and collaboration at the workplace using modern communication technology.

Through bonuses and penalties, combined with the option to order electric vehicles, the guidelines for Bank vehicles creates clear incentives for a more environmentally conscious selection of company cars to be leased. In addition, five buildings in Frankfurt were equipped with charging stations for private electric vehicles of Commerzbank employees in 2019. Employees are also able to use electric cars as pool vehicles for business trips at our Frankfurt, Hamburg, Düsseldorf, Stuttgart and Munich locations. Furthermore, we provide our employees with special bicycle offers for a climate-friendly alternative to driving or public transport. In addition to a bike lease option, they include 70 company bicycles at eight locations. Since 2020 the more than 15,000 bicycles belonging to the sharing system "Call a Bike" throughout Germany are at the employees' disposal. Employees' rail travel and the use of the BahnCard have steadily declined in recent years due to digital alternatives (offering technically improved communication media). Business trips within Germany by rail are powered by 100% green electricity, making an additional contribution to environmental and climate protection. Our mobility-related targets can be found Sustainability Programme under "Environment: Mobility".

We have included the sector business ecology in the Sustainability 5.0 project launched in 2019 to develop further measures in various areas, such as mobility and internal resource consumption. Within this framework, new and ambitious climate targets will also be set. In addition, further short-, medium- and long-term goals are being developed, which look at various environmental aspects in Germany and abroad.

Direct (Scope 1) GHG emissions12,
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 GL Business Assurance Zertifizierung und Umweltgutachter GmbH.

In 2019, Commerzbank AG in Germany managed to reduce its CO₂ emissions by additional 66 tonnes compared to the previous year. Travel by staff also has a significant impact on Commerzbank's carbon footprint, accounting for some 25.0% of our greenhouse gas emissions at Commerzbank AG in Germany in 2019. Around 63.5% of all business travel at Commerzbank AG in Germany and 53.1% of business travel at Commerzbank AG as a whole was done by car.

[Direct and indirect greenhouse gas emissions \(GHG emissions\) of Commerzbank AG](#) (PDF, 65 kB)

[Carbon footprint at Commerzbank AG by scope](#) (PDF, 53 kB)

[Business travel at Commerzbank AG](#) (PDF, 54 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

8

13

The increase in CO₂ emissions per full-time employee to 4.09 tons in 2019 (2018: 3.99 tons) is due to increased consumption of electricity and heating energy in the foreign locations.

[Greenhouse gas \(GHG\) emissions intensity](#) (PDF, 51 kB)

305-5 Reduction of GHG emissions

8, 9

13

Commerzbank has already met its [climate target](#), set in 2013, of reducing CO₂ emissions by 70% on the basis of 2007 levels by 2020 (Scope 1, 2 and 3, excluding staff commutes and logistics-related travel). In 2019, the reduction was even slightly increased, to 70.6%. We continue to work on measures to help prevent CO₂ emissions and develop a new climate target. 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 305/103).

[Reduction of CO₂ emissions 2008-2019](#) (PDF, 55 kB)

In 2019, the average CO2 emissions of newly ordered company vehicles to be leased amounted to 151 grams per kilometer (2018: 140 grams per kilometre). This increase is due to the new WLTP (Worldwide Harmonized Light-Duty Vehicles Test Procedure) standard for fuel consumption tests, which entered into force on 1 September 2018. Compared to 2018, average CO2 emissions for diesel and petrol pool vehicles at Commerzbank remained constant at 101 grams per kilometre and 95 grams per kilometre respectively in 2019. With the conversion of the pool vehicle fleet to the corporate car-sharing concept, the vehicles will be kept up to date with the latest exhaust technology.

The ongoing digitalisation of Commerzbank is one particular initiative to reduce emissions. It has helped cut GHG emissions caused by paper consumption by 13.5% compared to the previous year. Improvements to technological communication means have also helped to reduce business travel by 10.8% compared to 2018. This has enabled emissions caused by business travel to be cut by 3.5% (AG Germany) and 1.6% (AG total).

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 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 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.	8	<u>12</u>
--------------	--	---	-----------

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 on within Commerzbank in this context was further implemented in 2019 in a socially responsible way.</p> <p>Despite staff increases in strategically important areas, an additional Group-wide reduction of 4,300 gross and 2,300 net full-time positions has been planned as a result of the transition to "Commerzbank 5.0". This measure is to be negotiated with the employee committees. The Bank will do everything it can to ensure that this headcount reduction is also structured as socially responsible as possible through the responsible use of human resource management instruments. This could, for example, include termination agreements with severance pay including a special arrangement for employees over 56 years of age, new</p>	6	<u>8</u>

placement offers, early retirement, partial retirement, benefits in the event of relocation, individual reduction of working hours and unpaid long-term leave. The proportion of external employees at Commerzbank is not significant.

One of the major challenges in human resources work at the moment lies in implementing the headcount reduction fairly while retaining employees in a challenging labour market and securing new experts for the digital transformation. Initiatives to ensure that the Bank has a healthy pipeline of future talent are firmly embedded in the HR strategic agenda. These include, for example, new trainee programmes focusing on digitalisation or a more generalist pathway. Rising numbers of trainee positions, innovative training programmes and the opportunity to pursue various development paths are also aimed at making the Bank attractive for talented young people.

Commerzbank's human resources work was assigned to Dr. Bettina Orlopp's portfolio of responsibilities in 2019 (succeeded by Sabine Schmittroth in January 2020), and was implemented operationally in the Group Human Resources division. Core principles of human resources work include the Group strategy "Commerzbank 5.0", the "Strategy for Group Human Resources" and the employee-related targets of the Sustainability Programme.

As in the previous year, surveys also constituted an important element of the feedback culture in the Bank in 2019. Overall, more than 50 surveys and evaluations - ranging from short to extensive - were conducted throughout the Bank. In this conjunction, employees were asked to give their opinions on a wide spectrum of topics: from the regular evaluation of Board of Managing Directors' events and surveys on sales management to topic-specific surveys such as "Diversity Management" or the restructuring of human resources work in the Bank. Internal market research activities, however, focused on the roll-out of the "Commerzbank Pulse Check" in summer 2019, a Bank-wide, sample-based short survey with the aim of regularly providing the Board of Managing Directors and senior management with a valid indication of the motivation and sentiment in the Bank twice a year. This survey is to be continued in 2020.

For staff-related targets, please refer to the "Sustainable Corporate Governance" area of action in the Sustainability Programme.

401-1	New employee hires and employee turnover	6	<u>8</u>
<p>The rate of employee turnover in the year under review was 5.2%. This amounts to a year-on-year increase of 0.4%. The average length of service of employees with Commerzbank AG Germany is around 21 years; 18% have worked for the Bank for up to nine years, 24% for between ten and 19 years, and 58% for 20 years or more.</p>			
<p><u>New hires at Commerzbank AG (Germany) by age, gender and region</u> (PDF, 56 kB) <u>Employee turnover at Commerzbank AG (Germany) by age, gender, region and reason for leaving</u> (PDF, 57 kB)</p>			

GRI 403 Occupational Health and Safety

Nr.	Disclosure	UNGC	SDG
GRI 103	<p data-bbox="316 192 1198 416">Management approach (including 103-1, 103-2, 103-3) Health management is another key aspect of Commerzbank's HR 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 data-bbox="316 454 1198 775">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 403-2).</p> <p data-bbox="316 813 1198 999">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 data-bbox="316 1037 1198 1480">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 data-bbox="316 1518 1198 1648">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 data-bbox="316 1686 1198 2063">Health protection is a top priority for Commerzbank, including during the coronavirus pandemic that occurred in 2020. A crisis management team was set up to decide on and coordinate the Bank's approach in line with the respective developments. As a result, a number of measures have been taken 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 avoid contact. 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.</p>	1, 6	<u>3</u>

Health-and-safety-related targets can be found in the Sustainability Programme under "Employees: Health and Safety".

403-1 Management system for occupational health and safety 3

Health has been a strategic topic pursued by Commerzbank AG since 2006. As early as in 2013, the Bank became the first company in Germany to have its occupational healthcare management certified by TÜV Süd according to the "Corporate Health Standard". Furthermore, Commerzbank 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

In cooperation with employee representatives, all existing sub-aspects of the risk assessment underwent a comprehensive review process in 2016. Subsequently, the process of project-related risk assessment was adjusted, especially in view of the impending digitalisation, the questionnaire for determining psychological stress was optimised, and a new system for assigning the resulting reports was introduced, which contributes towards targeted processing by the managers. In addition, an advisory team of specialists was established in 2018 to further improve the quality of results, while supporting the responsible managers in the overall process of risk assessment with regard to mental stress and project-related risk assessments. This makes processing more effective and efficient.

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, HR 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 to 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. 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.

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.

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.

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 qualification offers of the Bank provide information and advice on the topics of occupational safety and health. In the light of the transformation towards a digital technology company in particular, Commerzbank 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. In 2019, a pilot series on "de-escalation in customer contact" was continued in order to provide employees with concrete recommendations for action in stressful situations.
- 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 2019, 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 2019, around 1,300 employees worldwide took part in the campaign.

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 2019, the ratio of reportable work-related and commuting accidents for the Commerzbank Group in Germany was 6.8 accidents per 1,000 employees (2018: 6.8), which was, once again, at a very low level and below the ratios of the relevant statutory accident insurance. In one case, an employee was unable to work for more than six months. No fatal accidents occurred during the reporting year. Possible serious work-related risks arise in particular from the psychological consequences of threats and assaults, which, however, did not occur in 2019.	<u>3</u>
	<u>Number of work-related accidents at Commerzbank AG Germany by region and gender (PDF, 24 kB)</u>	
403-10	Work-related illnesses The illness rate of Commerzbank AG Germany amounted to 4.9% in 2019, 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>Commerzbank also uses a range of other HR management tools, such as target and performance assessments, performance evaluations, target agreements and, from 2020 onwards, the Development Dialogue. These tools are a means of gauging how an employee is doing if the employee in question receives variable performance-based pay, and aid in the determination of wages within the scope of the existing works agreements in Germany and local regulations. The use of HR management tools ensures that employees gear their actions towards the Bank's strategic objectives.</p> <p>Training and development targets 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 2019, we invested a total of 594,737 hours, including self-study media and face-to-face events, in the training and further education of employees of Commerzbank AG in Germany. The average number of hours per employee and year during the reporting year was 18.7 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, 54 kB)</p> <p>Of the 29,415 people employed by Commerzbank AG Germany in December 2019, 792 were in vocational training (550 were apprentices and 242 were students in dual degree programmes). In addition, 309 members of the study circle (Commerzbank's working-student programme), 68 students from the Frankfurt School of Finance & Management (FSFM) were employed alongside their studies, as were 216 trainees. In 2019, Commerzbank hired 365 graduates in initial training (248 apprentices and 117 students from universities with dual-degree programmes). Furthermore, we welcomed 405 student interns, 79 interns from polytechnics, 129 members of the study circle, 47 students at the FSFM and 153 trainees. In 2019, we took on 76.3% of the apprentices and vocational trainees who had completed their training.</p> <p>Apprenticeships at Commerzbank AG (Germany) (PDF, 24 kB)</p>	6	<u>5, 8</u>
404-2	<p>Programs for upgrading employee skills and transition assistance programmes</p>		<u>8</u>

We pool all offerings under the "Companion" 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 digi sessions for all employees. Our performance instruments such as performance appraisal or competence management and individual development concepts have also been realigned to meet the needs of the digital strategy.

We also address the increasingly digital working world within the Group through changes in work organisation: Within the scope of a working group consisting of employer and employee representatives, a general works agreement on "mobile working" has been developed. Mobile working makes it possible to work independently of location from time to time. In advance, employees and managers agree upon the place of work on a flexible, individual case-by-case basis. In this way, the agreement aims at the flexible structuring of working time and place, taking into account operational requirements and the personal interests of the employees, the motivation of the employees by working on their own responsibility, the increase of the employer's attractiveness and a better balance between private life and work. By eliminating commutes between home and workplace, mobile working also contributes to environmental protection.

During the reporting year, the Commerzbank Group head office underwent fundamental restructuring measures. All products and services are now developed and managed by clearly defined organisational units under the Campus 2.0 project. Within these units, known as clusters, specialist and IT staff work together in non-hierarchical teams, applying agile working methods to become faster and more flexible in the market and for our customers.

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>
	Employees outside of pay-scale categories covered by collective bargaining agreements are given an annual target agreement. It serves 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. Career development is clearly structured at Commerzbank. 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. We thus ensure uniform standards for qualification and development. 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. Following the discussions between manager and employee, a personnel portfolio round is carried out to validate and define in objective terms the competence assessment and to advise the managers with regard to further development and qualification measures. These portfolio rounds of the Development Dialogue take place annually. From 2020, the Development Dialogue will also be introduced for non-pay-scale employees in Germany.

GRI 405 Diversity and Equal Opportunity

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Diversity and inclusiveness are key principles at Commerzbank. Non-discrimination, development, diversity and inclusion are now an important part of our HR strategy. Only in an atmosphere of mutual tolerance and respect are we in a position to achieve our goals. 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 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.</p> <p>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 HR. 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".</p> <p>Commerzbank joined the Unternehmensforum zur Inklusion e.V., and in 2018, 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 coordination with the Global Diversity Council, the central representative council of severely disabled persons and the accessibility working group 2019, clear implementation priorities were defined. Barrier-free access to the workplace and to working tools is just as high a priority as the implementation of</p>	1, 6	5, 8

accessibility in our digital offerings for customers. In the Bank's UX studio, for example, employees with a range of disabilities take part in tests to ensure that our digital innovations are accessible.

Framework agreements were also concluded with the Rhineland-Palatinate Regional Association for the Deaf and the Association of Sheltered Workshops (GDW Mitte) in 2019. These will help us improve the availability of sign language interpreters for employees with hearing impairments and standardise the provision of services and products from workshops for people with disabilities throughout Germany, with a view to promoting inclusivity in our business operations.

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 has held the "Audit Beruf & Familie" certification for many years now. In the reporting year, Gruner&Jahr Verlag honoured this commitment by naming the Bank best employer for women.

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. This is where 1 position is divided between 2 part-time employees. The percentage of part-time employees has risen constantly in recent years, from 21.0% at the end of 2011 to 29.5% at the end of 2019.

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 2019, some 190 employees took a sabbatical. Staff also have various opportunities to make the location of their workplace more flexible (see 404-2).

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.

Commerzbank's emergency and holiday care was used by a total of 606 children on 3,624 days in 2019, significantly easing the burden on parents working at the bank during strikes at the municipal childcare centres they otherwise use, for example. For each child, the Bank covers the cost of 20 days of emergency care per year.

We also provide company-sponsored childcare and extensive support for those employees caring 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 consulting services for nursing care were higher in demand in 2019.

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), 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.

In 2019, the seventh "German Diversity Day" at the Bank was again celebrated with a whole week of activities. In addition to staging film nights in several cities in cooperation with other companies, the focus was on the topic of Lesbian, Gay, Bisexual, Transgender (LGBT). Visible signs were the first rainbow illumination of the Bank's tower building at Kaiserplatz in Frankfurt and the corresponding colouring of our logo on many of the Bank's websites. Events for customers and employees were supported, as was our participation in Christopher Street Day.

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 20.3% in 2019 (2018: 19.5%). The average duration of parental leave (within the 2019 calendar year) was 8.6 months for women and 2.1 months for men.

During the coronavirus pandemic that occurred in 2020, the diversity field of action "Work/life balance" has gained particular importance, as many parents have to take over childcare due to closed day-care facilities and schools. In this respect, Commerzbank has enabled its employees to bridge bottlenecks by offering extended opportunities for working from home and temporary paid leave. In addition, Diversity Management has established special online seminars that focus on the challenges faced by families under these special circumstances. Virtual childcare for different age groups complements the offer for parents. In addition, individual questions can be clarified with the established units (Group Human Resources, company doctor, EAP).

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

405-1	<p>Diversity of governance bodies and employees</p> <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 53,4%, 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</p>	6	<u>5</u>
--------------	---	---	----------

mentoring programme.

Measures to encourage this, both for new recruits and for women who already work for the Bank, were further pursued according to plan in 2019, e.g. in the form of career days. Additional measures for promoting women at the Bank include workshops as part of the Diversity Forum, programmes such as Keep in Touch (10% to 20% part-time work for up to twelve months after the birth of a child) and a guaranteed return to work after parental leave. Keep in Touch in particular has developed into a successful part-time option. A total of 263 employees, including men, took advantage of the programme in 2019. The Management Experience programme offers staff the opportunity to try out being a manager or a project manager in temporarily vacant positions.

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 2019 figure in the Group was 32.5%. At Commerzbank AG Germany, the proportion of female managers increased to 29.6% (2018: 28.0%) 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 female applicants.

Gender diversity on the Board of Managing Directors is also an important issue at Commerzbank. As per 31 December 2019, the proportion of women amounted to 14.3%. With the appointment of Sabine Schmittroth on 1.1.2020 and the departure of Stephan Engels on 31.3.2020, the proportion of female members on the Board of Managing Directors of Commerzbank AG is 28.6%. 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 16 et seq. of the [Annual Report 2019](#) as well as in the diversity concepts and target quotas relating to the Board of Managing Directors and the Supervisory Board (p. 26 et seq.) in the Corporate Governance Report.

[Proportion of female employees at Commerzbank AG \(Germany\) by management level](#) (PDF, 54 kB)
[Commerzbank AG \(Germany\) workforce by age and gender](#) (PDF, 24 kB)

In 2019, the Bank was legally obliged to provide 1,540 positions for severely disabled employees. With 1,742 positions being filled by persons with severe disabilities – which corresponds to 5.65% of total positions at Commerzbank AG Germany – the Bank exceeded the legal requirement of 5% for the fifth year in succession.

405-2	Ratio of basic salary and remuneration of women to men	6	<u>5,</u> <u>8,</u> <u>10</u>
	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:

[Salary structure of Commerzbank AG \(Germany\) \(PDF, 24 kB\)](#)

GRI 406 Non-discrimination

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>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.</p> <p>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.</p> <p>We view it as our duty to react quickly to each and every instance of discrimination and harassment. For many years, however, our approach to diversity management has gone a major step further by focusing our support on employee groups that have experienced discrimination in society, especially in the past. Our employee networks for women at the Bank (Courage) and for gay, lesbian and transgender staff (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).</p> <p>For some 20 years now, Commerzbank has been committed to an open approach in respect of the sexual orientation and gender identity of its customers, employees and business partners. Diversity Management encourages support for diversity at the company through innovative measures, workshops and information events. To send out a visible signal of this approach, in 2019, we displayed the Commerzbank Tower and the Bank's logo in rainbow colours and participated in numerous other initiatives during Pride Season. Our activities are presented to the Global Diversity Council for evaluation at least twice a year. The council also reviews and discusses the implementation of statutory provisions such as the Federal Act on Gender Equality (Gesetz zur Gleichstellung) and the Transparency in Wage Structures Act (Gesetz zur Entgelttransparenz).</p>	6	<u>10</u>
406-1	<p>Incidents of discrimination and corrective actions taken Employees who are found guilty of misconduct related to</p>	6	<u>10</u>

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 2019. In 2019, there were a total of 23 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 2019.

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 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 Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises. Commerzbank has also participated in the <u>UN Global Compact</u> (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.	2, 3	<u>8</u>
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	UNGC	SDG
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	2	<u>12</u>

requirements set out in the [sustainable procurement standard](#) 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.

GRI 415 Public Policy

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>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.</p> <p>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.</p> <p>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.</p>	10	<u>16</u>
415-1	<p>Political contributions In accordance with its Group-wide donation policy, Commerzbank does not make donations to political parties, affiliated institutions or politicians.</p>	10	<u>16</u>

GRI 417 Marketing and Labeling

Nr.	Disclosure	UNGC	SDG
GRI 103	<p>Management approach (including 103-1, 103-2, 103-3) Fairness towards the customer means for us that we provide</p>	7	<u>12</u>

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.

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 (please see Non-Financial Report 2019 p. 55).

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. For the form of fraud known as "CEO fraud" that tricks corporate customers into making payments, Commerzbank AG offers, among other things, training courses for customers in Germany and at selected European locations to address this issue. While CEO fraud is on the decline, we are currently experiencing a series of ransomware attacks that involve the encryption of corporate customers' IT systems. In this regard, Commerzbank supports its customers with a comprehensive range of advisory and training offers.

417-1	Requirements for product and service information and labeling	<u>12</u>
	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	<u>UNGC</u>	<u>SDG</u>
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 "Commerzbank 5.0" strategy as one of 3 key topics for responsible banking.</p> <p>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>		<u>12</u>

With the increasing digital networking of state, business and society, the topic of cyber security and resilience is becoming more 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. This is also one of the reasons why the security level at Commerzbank is very high compared with companies in the real economy. Within the Group, the Information Security division ensures that the Bank is aware of current attack routes and techniques and is able to counter these effectively. The services provided by the division include threat analyses, forensic investigations and penetration tests, security consulting and monitoring, and compliance with information security regulations. Commerzbank AG is a founding member of the German Competence Centre against Cyber Crime (G4C) association, which started work in 2014 and cooperates with the Federal Criminal Police Office. The association's aim is to develop and optimise measures to counteract cyber crime 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 data protection officers of Commerzbank AG provide assistance to the Bank's business units in Germany and abroad and monitor adherence to data protection provisions in compliance with the law. In 2019, this included in particular the ongoing implementation of the EU General Data Protection Regulation, the implementation of a viable model for leveraging cloud technologies and big data analytics. We hold regular training events, such as mandatory tutorials on the protection of data privacy and on safety briefings 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. Commerzbank has also established a Privacy Council to ensure that the Bank applies uniform rules for fundamental data typing issues, especially for new applications. It is made up of representatives from the front office units, Legal, Information Security and Data Protection as well as Strategy and the BDAA Group division.

Security was one of the assessment criteria in the 2019 online banking test conducted by the specialist magazine Chip.

Commerzbank impressed in this category and was rated "very good".

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data In view of the fact that the Bank has around 16.9 million private and small-business customers and more than 70,000 corporate customers including multinational corporations, financial service providers and institutional customers worldwide, the number of data protection complaints was again comparatively low in 2019. For example, the data protection officer of Commerzbank AG in Germany received 298 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 2019.	<u>12</u>
--------------	--	-----------

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. Our compliance efforts focus on defending against money laundering, terrorism funding, market abuse (insider trading and market manipulation), fraud, corruption (see GRI 205-103) and other criminal activity within the scope of business operations. 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>With its cross-segment "culture of integrity" network, Commerzbank specifically strengthens the value of integrity, one of its five <u>ComWerte</u>. Acting consciously, paying attention to each other, taking responsibility and doing the right thing, even when no one is looking, are the core aspects of the concept of this initiative. The aim is to strengthen our corporate culture in the long term through targeted impetus. At the same time, it is important to treat compliance risks with the same relevance and professionalism as credit and market risks. We report regularly via a Bank-wide communication campaign 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 posters in Germany and at the international locations as well as the voluntary online training "Checkpoint Integrity", which provides training in how to act in grey areas. In addition, informal staff roundtables on the "Culture of Integrity" are held to promote the discussion and exchange of thoughts and ideas.</p>		<u>12</u>

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 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 interests. The winners in 2019 were employees of the Brussels branch, whose commitment helped prevent losses of around 5.6 million euros for a corporate customer who was a victim of CEO fraud. Some 20 nominations were received from various parts of the Bank worldwide, ranging from exemplary conduct when uncovering money laundering or fraud to a number of other integrity and compliance-related 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. The anonymised evaluation of cases helps identify the types of misconduct that occur and which regulations or regulatory provisions have been violated. Transparency makes it possible to learn from mistakes and adapt to rules and processes accordingly.

419-1	Non-compliance with laws and regulations in the social and economic area	<u>16</u>
	In the reporting year, Commerzbank was not sentenced to pay any significant fines. Information on ongoing legal proceedings as at the end of 2019 can be found in the Annual Report 2019 (pp. 127 – 129).	

4. Sustainable Finance

103 Management approach

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
GRI 103	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		

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.

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 risks.

Commerzbank is taking this into account with its new strategy "Commerzbank 5.0: digital, personal and responsible" by anchoring corporate responsibility even more firmly in its business model. In order to implement this strategy, the "Sustainability 5.0" project was launched and appropriate structures established. To implement this strategy, the "Sustainability 5.0" project was launched and structures were set up. See GRI 102-15 and GRI 102-18.

The integration of non-financial aspects into the Bank's risk management processes is hugely important for sustainable finance. These include risks resulting from climate change. They form part of the overall risk management and in future will be anchored even more firmly in the risk strategy under "Commerzbank 5.0". Credit risk management already incorporates climate issues in country and sector analyses and in risk assessment. Physical risks include rising sea levels and flooding for the real estate sector, along with crop failures in agriculture or low water levels in rivers, with implications for the transport and chemical industries. Transition risks such as changes in energy policy are also taken into account in the analysis. Lending decisions for companies and institutional customers are therefore based not only on an individual risk assessment but also – where relevant – on the extent to which they involve climate risks and on the level of resistance to them. If a customer is exposed to a higher probability of physical climate risk, a scenario analysis is carried out and the resilience to climate-related phenomena tested.

In implementing the "Commerzbank 5.0" strategy, we are currently developing a methodology for embedding sustainability considerations in the future management of Commerzbank AG's loan portfolio. The initial focus is on the CO₂ emissions associated with our business activities. The CO₂ intensity of the bank's loan portfolio is to be reduced through individual target values and measures. These include the promotion of emission-reducing technologies and the active management of financing in CO₂-intensive industries.

By contrast, environmental and social risks arising from our core business are assessed in Commerzbank AG's Reputational Risk Management department. The Bank has adopted a clear position on controversial issues such as weapons, environmentally harmful energy sources and speculative trading in basic foodstuffs. 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. 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. Cross-sector requirements relate to human rights and indigenous peoples.

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 Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises and takes further guidance from the United Nations (UN) Guiding Principles on Business and Human Rights. By committing to the UN Global Compact, 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 AG 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. The policy is 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 AG'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 brought in 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 can lead to rejection.

One means of raising employees' awareness for the business relevance of non-financial issues is a quarterly newsletter. In view of the great importance of the energy sector in reputation risk management, one issue in 2019, for example, was devoted to the possible risks associated with the generation of energy from hydropower. In addition, there are presentations at selected locations and an ongoing exchange with the front office with regard to valuation processes and controversial issues. Reputational risk checks are not only carried out for new business, but also for prolongations and for specific reasons. Reputational risk management uses a qualitative approach to steer original reputation risks.

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. As part of reporting, 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.

To continue developing its reputational risk management, Commerzbank AG 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. For example, it published a new position on tobacco and cigarette production in 2019. All sensitive issues, positions and directives are reviewed regularly and updated as necessary. The credit decision 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 finance and structured finance is transacted in Europe. In these cases, we carry out 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 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 or the [Roundtable on Sustainable Palm Oil](#). We do so as the need arises to clear up grey areas bilaterally or to coordinate the conditions for banking services.

In retail banking, Commerzbank focuses on responsible lending. This comprehensive advisory approach that also includes possible changes in the economic situation of customers. In this event, the Bank's Risk division has special units dedicated to early risk detection. Their tasks include identifying customers with signs of financial problems early on – and thus before the emergence of problems threatening their existence, if possible – and reaching a joint agreement on measures to be taken which will, ideally, lead to a regular repayment process.

SF1 Products and Services designed to deliver a specific Social Benefit

Nr.	Disclosure	UNGC	SDG
SF1	Products and services designed to deliver a specific social benefit 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,	1-6	<u>1</u> , <u>11</u>

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 2.3 billion euros in 2019.

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 matters for customers. In the insurance business, agreements on subsidised "Riester" products and basic pension covers worth a total of around 196 million euros were signed in the reporting year. Commerzbank's portfolio targeting precautions that customers can take include products for risk protection, such as term life insurance and occupational disability insurance, as well as additional products for establishing a pension provision plan (private pension). Demand is mainly for security-oriented provision plans in investments.

The coronavirus pandemic in 2020 poses enormous challenges for our customers. Liquidity bottlenecks in particular can have far-reaching consequences, including social ones. Commerzbank therefore wants to support its customers quickly and efficiently in these difficult times. In addition to the loan programmes of the German Federal Government, whose funds are made available by KfW via the respective partner bank, a separate loan programme for small and medium-sized enterprises was therefore also set up. Customers can thus be provided with liquidity quickly, allowing them to bridge the time until KfW funds will be disbursed. 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 offer 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.

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 operated by institutional investors, municipal utilities, energy groups and also private investors. We are now one of the main financiers of renewable energies in Europe and are also increasingly driving internationalisation forward in the rest of</p>	7-9	<u>7,</u> <u>12,</u> <u>13</u>

the world. In 2019, the Energy Competence Centre acted as syndicate leader and hedging bank for five offshore wind farms in Taiwan, the UK and France. In the onshore wind and photovoltaics segments, a large number of transactions were carried out in the USA in the year under review along with project finance transactions in Europe (including in Spain, France, Sweden, Finland and Poland). The loan exposure of the Energy Competence Centre (exposure at default) came to around 5.1 billion euros in 2019 (2018: 4.6 billion euros).

[Project financing of renewable energies by technology](#) (PDF, 27 kB)

Commerzbank AG also incorporates sustainability aspects into the development of traditional financing solutions by advising corporate customers about the advantages of public-sector loans. Corporate customers can thus benefit from the favorable terms of the promotional loans for [financing energy efficiency projects](#). With a share of around 9% in KfW's commercial energy efficiency programmes (as at the end of 2019), we are one of the leading banks in Germany in using public-sector funding for such investments by small and medium-sized enterprises.

An additional contribution to climate protection is made by Commerzbank with the award of mortgage loans under which we promote energy-efficient construction and acquisition at 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.

Another project launched in 2019 is the Green CBU+ (Commerzbank Universal Loan). This individual loan for corporate customers is used to finance sustainable commercial or private investments. These include, for example, those 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.

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 green bonds. In the year under review alone, Commerzbank AG acted as lead arranger for the issue of 18 green and social bonds. The total volume of all green and social bonds issued under the lead management of Commerzbank AG in 2019 was 12 billion euros (2018: 11.4 billion euros). In October 2018, the bank issued its first own green bond with an issue volume of 500 million euros and a maturity of five years. We also cooperate with industry associations and similar interest groups, thus helping to actively develop the market for sustainable bonds. At the end of 2019, for example, the Bank became a partner in the [Climate Bonds Initiative](#), an

organisation working solely to mobilise the 100 trillion U.S. dollars market for climate change solutions.

As a participant in the [European Emissions Trading Scheme \(ETS\)](#) Commerzbank AG advises companies and governments 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 ETS. Commerzbank AG launched a pilot project in autumn 2019 designed to allow its corporate customers to conduct climateneutral business. 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 AG also arranges, structures and places sustainable promissory note loans and syndicated loans in the form of green loans or ESG-linked loans (ESG: Environmental, Social, Governance) 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 20 green or ESG-linked loans with a total volume of 27.3 billion euros in 2019. 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. 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. At the same time, our processes guarantee that investments in controversial areas such as the arms industry or direct investments in agricultural commodities are not possible. To attract additional customers to this investment opportunity, Commerzbank organised a special campaigns throughout 2019, which gave clients an opportunity to invest in up to four sustainability funds with no profit share, based on the offering premium, through the online banking portal and in branches for a limited period of time each.

Commerzbank also supports conservation projects in Germany through its "Paperless and happy" initiative. Launched in October 2018 in conjunction with the charitable organisation [Bergwaldprojekt e.V.](#), we replant one square metre of forest in Germany for each electronic mailbox activation. The electronic mailbox system also saves paper and CO2. At the end of 2019, we were able to rebuild close-to-nature around 670,000 square meters of forest.

SF3 Assets subject to Positive and Negative Environmental or Social Screening

Nr.	Disclosure	UNGC	SDG
SF3	Assets subject to positive and negative environmental or social screening Commerzbank offers its customers an increasing number of investment opportunities in the growing market of responsible	1-10	<u>10</u>

investments. For example, it distributes sustainability funds from various providers to private and institutional customers. Until October 1, 2019, investors were also able to participate in the performance of an international stock portfolio based on the MSCI Catholic Values Custom Index with the in-house fund Global Stocks – Catholic Values. This fund was transferred to Lyxor Asset Management.

The Group also offers its customers an increasing range of opportunities to participate in the growing responsible investment market, for example through sustainability funds offered by various providers for private and institutional customers. 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 were able to more than double this percentage by the end of 2019, meaning that the target achievement is on track. In addition, Commerzbank AG's entire asset management system is breaking new ground in terms of comprehensive consideration of sustainability criteria. 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.

Since November 2019, institutional investors who obtain their equity research from Commerzbank AG have also been receiving quantitative sustainability indicators from Arabesque S-Ray. The data analysis company evaluates companies in terms of their compliance with the principles of the UN Global Compact and draws up an ESG score. This information is made available to customers in addition to fundamental equity votes.

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 Principles for Responsible Investment (PRI).

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 2019, the volume had already reached around 430 million euros.

SF4 Active Ownership

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
SF4	Active ownership Commerzbank has put together a guideline for a Proxy Voting Policy for companies in the Commerzbank Global Equities – Catholic Values fund (see SF3). With GES, it has engaged a leading provider of services relating to sustainable investment with the task of exercising voting rights under this policy. This fund was transferred to Lyxor Asset Management on October 1, 2019. There are no voting policies on environmental or social issues for the other companies in the investment portfolio because such matters form part of the core		<u>12</u>

responsibilities of the senior management of the company concerned and are therefore not normally submitted to the Annual General Meeting of shareholders unless this is specifically demanded by the Board of Managing Directors (see also Art. 119 of the German Stock Corporation Act [AktG]).

For reasons of easier legibility, only the grammatically masculine form is used. For the purpose of equal treatment, references apply to all gender identities.

[Download](#) (PDF, 1.4 MB)

- [Back to sustainability website](#)

© 2004-2020 Commerzbank AG D-60261 Frankfurt am Main 07-01-2020