



COMMERZBANK

Gender Pay Gap Commerzbank London

January 2023



Foreword

In this document, we're reporting the Commerzbank London gender pay gap (GPG) figures for 2022, and again we're reporting earlier than legally required.

We still have a GPG at Commerzbank London, but we knew it would take time to close the gap and we remain committed to narrowing this.

Our 2022 GPG results show overall another annual improvement in most reporting lines, however we recognise that our journey to eliminating the GPG isn't a linear process and it will not happen overnight. We fully expect there to be fluctuations from year-to-year as we're going through a Bank-wide transformation process.

Our GPG data is, in the majority, driven by the number of women in leadership positions at the Branch. With reductions of staff across all levels of seniority and with fewer senior roles based in London, this makes achieving our ambitions even more challenging. But we won't give up.

It's encouraging to see continued green shoots of progress from actions we've taken, but we also recognise in tandem that significant further steps to improve our GPG still need to be made. These steps are largely reflected in our Branch Diversity and Inclusion strategy. We've also appointed a Diversity and Inclusion Lead to oversee and initiate change. By continuing to review our progress and by being proactive and creative we aim to deliver changes that will benefit our Bank and the people associated with it.

I firmly believe in promoting from within and hope to grow our pipeline of female talent (at all levels of seniority) going forward, but this will take time.

Diversity is at the centre of our culture and values and we believe that a diverse and inclusive organisation is integral to the success of Commerzbank, our colleagues and our clients.

David Clapham

IC Regional Board Member and London CEO



The Gender Pay Gap explained

What is the gender pay gap?

- UK gender pay gap (GPG) reporting requirements came into effect in 2017. The GPG is the difference between the average hourly earnings of men and women, expressed relative to men's earnings.
- In this report, we disclose the mean and median GPG, the mean and median bonus gap, the proportion of males and females receiving a bonus as well as the proportion of males and females by quartile pay band - you'll find more details on these figures on page 5.
- Finally, it should be noted that the GPG isn't the same as an equality pay gap. GPG is a representation issue, unequal pay is when women are paid less than men for doing the exact same work.

Why do we have a gender pay gap at Commerzbank London?

- At Commerzbank London the primary driver for the GPG and bonus gaps is the difference in representation of women and men in the organisation. We have fewer women than men in leadership and management roles in the organisation. Reasons for this include the historical composition of the workforce in financial services.
- We're mindful that Commerzbank London is still undergoing a transformation to reflect the strategy implementation of the Bank.
- Due to the significance of London as a global financial centre, Commerzbank London will continue to be an important international location for the Bank. However, these changes mean there will be fewer senior leadership roles based at Commerzbank London.
- This makes achieving our ambitions even more challenging, but we'll continue to develop Branch initiatives to support gender diversity and sustainable change.





Commerzbank London and the Gender Pay Gap 2021/2022

At Commerzbank London, we know that enhancing gender diversity in our leadership team and the wider branch is fundamental to our success in reducing the GPG. Strengthening our talent pipeline will help us achieve long-term sustainable change.

Specifically growing our junior female talent pool will help us build a pipeline of talented female leaders for the future. These efforts are especially important to ensure that we have a diverse leadership team and it remains our preferred route to fill senior positions that become available.

We're working hard to improve and enhance our hiring practices. In 2022, the Branch launched its first Diversity and Inclusion strategy, which includes diversity and inclusion training for our hiring managers, specific guidelines on best practice hiring and the introduction of a London Branch Interview Panel (LBIP). The LBIP is now being established as an integral part of the hiring process and assesses candidates on our corporate values.

Furthermore, we're still seeing a positive increase in the proportion of females to males in each of the quartile bands since 2017. These changes are encouraging but of course we recognise that there's still work to be done.

We've seen an improvement since we started the annual Women in Finance Charter reporting and in 2022 women occupied 21 per cent of leadership and management roles (up from 15% when we first started our Women in Finance Charter commitment in 2017).

As we've previously reported, we've set ourselves a Branch target under the UK Women in Finance Charter pledge of 25% women in leadership positions by 2024.



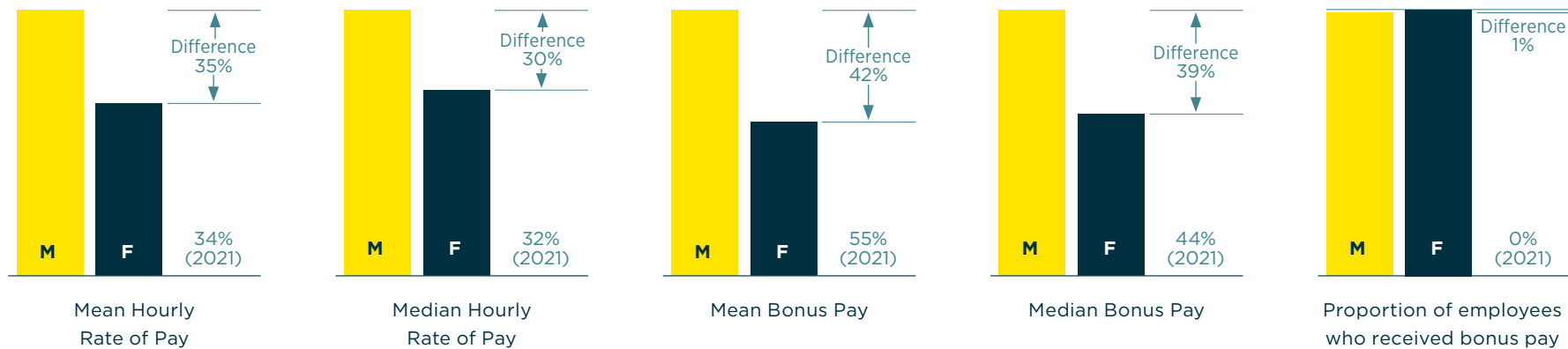
Our figures

- Mean hourly rate of pay difference is 35 per cent, a very slight dip on 34 per cent in 2021, however it continues to show an improvement over the 38 per cent reported in 2020. This shows that, for our relevant London population, the average hourly pay for women is 35 per cent less than the average hourly pay for men.
- The median GPG (the difference between the midpoints in the ranges of men's and women's pay) has improved by 2 percentage points over the previous year and is now 30 per cent, representing a 6 per cent improvement over 2020 data.
- Bonus pay – 100 per cent of female employees received a bonus versus 99 per cent of male employees.
- Furthermore, we're still seeing a positive increase in the proportion of females to males in each of the quartile bands since 2017. These changes are encouraging but of course we recognise that this can be improved.
- Additionally, there continues to be a stable proportion of females working at the Branch (32 per cent females vs 68 per cent male staff), this is a metric that's being continuously monitored, especially in light of the Bank's aforementioned strategy.

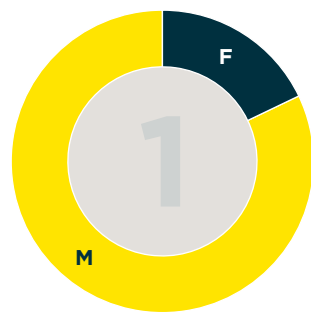


Commerzbank London Gender Pay Gap

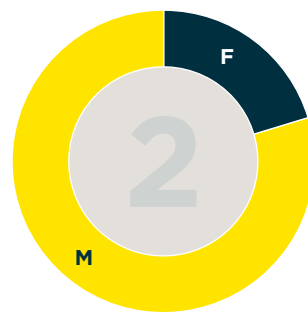
Where are we? (2022 vs 2021)



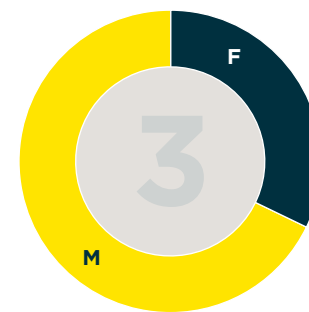
Proportion of Male/Female employees according to quartile bands



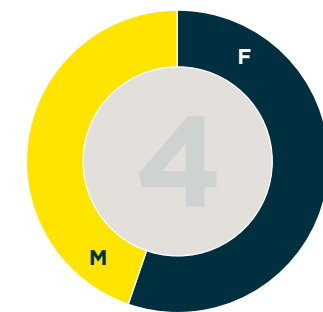
Upper Quartile



Upper Middle Quartile



Lower Middle Quartile



Lower Quartile



Commitment to change - what action are we taking?

Commerzbank is fully committed to deliver equality, and diversity continues to be a key topic in our management meetings bringing a diversity lens to decision making.

The Branch approved its first Diversity and Inclusion strategy at the end of 2021 and is working on a number of D&I projects.

Achievements in 2022 included:

- Creation of a D&I expert lead role for the Branch, reporting to the CEO and voting member on the local management board (started Jan 2023)
- Introduction of D&I section into all staff target agreements
- Increased number of Employee Resource Groups (ERG) in 2022: addition of London Parents' Network and the Embrace network (ethnicity focused)
- All London Board members are actively engaged in either an ERG or a D&I project
- Introduction of enhanced shared parental leave pay
- Publication of the first London Branch Diversity and Inclusion focused policy
- Addition of a menopause health benefit free to our employees
- Full Branch roll-out of a reverse mentoring programme
- Focus on Early Talent Network, addressing needs and support for our junior talent
- Review of our Women in Finance Charter goals and new targets set for 2024
- Subscription to external resources for all our staff to help with career development, parental topics, mental health and much more
- Increased budget spend for D&I initiatives
- Launch of Best Practice Hiring including the creation of the London Branch Interview Panel and mandatory hiring manager D&I training
- Increased voluntary diversity questionnaire completion to 68%
- Reviewed Hybrid Working Model guidelines which came into effect for the Branch in January 2023.



Our London Women's Network officially celebrated its 10th anniversary in 2022 and was recognised by Manfred Knof, Commerzbank's CEO and patron of the Global Women's networks for its ongoing dedicated work to gender balance.



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