Combined separate non-financial report

Pursuant to Art. 340i (5) in conjunction with Art. 315b (3) of the German Commercial Code (HGB)

The success of the Commerzbank Group is also shaped by non-financial factors. We report on these factors for the Group and for Commerzbank Aktiengesellschaft in this “combined separate non-financial report” (hereinafter the “non-financial report”) according to the requirements of the German Act on Strengthening Corporate Non-Financial Reporting (CSR-Richtlinie-Umsetzungsgesetz (CSR-RUG)). The law requires information to cover at least environmental protection, treatment of employees, social responsibility, respect for human rights and anti-corruption and anti-bribery. Commerzbank has also decided to report on a sixth, essential topic, the treatment of customers, as the Group’s customer focus is a key non-financial success factor. Details on the statutory requirements, on how the material issues are derived and on the reporting format are found at the end of this document, in the section “About this report”. The requisite description of the business model is found on page 63 f. of the Group Management Report.

How we define sustainability

Financial institutions have a particular role when it comes to curbing climate change, to which the international community has committed itself with the 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, such as renewable energies. To achieve the goals, it is equally important that financial service providers stop supporting certain types of business. This includes, for example, the decision made by Commerzbank Aktiengesellschaft to stop providing finance for new coal-fired power stations.

The keyword sustainable finance covers a large number of initiatives and working groups in which we are actively involved in order to bring about sustainable development. Examples include the Sustainability Working Group within the Federal Association of German Banks, the ICC Sustainable Trade Working Group (International Chamber of Commerce), the European Banking Federation’s Sustainable Finance Working Group or the IIF Sustainable Finance Working Group (Institute of International Finance). Moreover, Commerzbank has been involved in the Green and Sustainable Finance Cluster Germany since its inception in 2017.

Commerzbank Aktiengesellschaft and mBank are signatories of the United Nations Global Compact and as such respect its ten principles covering the areas of human rights, labour standards, the environment and anti-corruption.

In its sustainability strategy Commerzbank Aktiengesellschaft has committed itself to confronting the global challenges as a responsible partner for sustainable economic and social development. To this end, we observe the relevant megatrends, analyse developments and evaluate them with regard to potential opportunities and risks. The Bank’s divisions with sustainability relevance – which include the customer segments as well as Compliance, Human Resources, organisational units and environmental management – together formulated a sustainability programme containing 100 goals which we have working to achieve since 2017.

The success is reflected in sustainability ratings and in the Bank’s inclusion in the corresponding indices. In 2018, major rating agencies for sustainability gave Commerzbank Aktiengesellschaft a rating above the sector average: a C rating and thus Prime status from ISS-oekom, an A from MSCI, a B from CDP, and at Sustainalytics we are an Outperformer with 75 out of 100 points. Commerzbank Aktiengesellschaft is also included in four of ECP’s ethical and ESG equity indices. Moreover, comdirect was given a rating of BB in the MSCI ESG rating, while mBank was included in the portfolio of the Respect Index of the Warsaw Stock Exchange in 2018 for the second time.

The term ESG is used internationally to describe the fact that environmental, social and governance matters are taken into account in corporate decision-making. ESG stands for Environmental, Social and Governance. It is therefore about the careful handling of natural resources or measures for a 2°-compatible development (environment). It is also about employees and social matters, human rights and the commitment to a just society (social). And finally, it is about issues relating to sustainable corporate governance, ethical management and transparent compensation rules (governance). Most rating agencies employ an ESG approach when assessing sustainability, many fund companies take ESG into account in their investment strategy and a growing number of investors integrate ESG criteria into their analyses. The Commerzbank Group also pursues a large number of concepts for sustainable corporate governance and to ensure that the environ-
Our contribution to sustainable finance

The growing importance of ESG is opening up numerous opportunities for us as a bank: the energy revolution and reduction in CO₂ emissions are creating a need for new technologies and products requiring large investments. Moreover, there is growing interest from investors and customers in sustainable investment opportunities. This is why we are developing products and services that take account of these changes while offering a social or ecological benefit. At the same time, we want to prevent a negative impact of our business activities on the environment and on society and avoid or mitigate any resultant risks. This process is assisted by the Sustainable Finance Committee, a committee set up to bring together departments and activities connected with sustainable finance within Commerzbank Aktiengesellschaft and Commerz Real. Through the work of this committee, the Bank aims to actively support international transformation processes and open up new, innovative business areas. Interdisciplinary cooperation enables and promotes the exchange of information across the Group, which supports the development of new sustainable offerings and the improvement of existing ones.

Holistic risk management

The integration of non-financial aspects in a bank’s risk management, such as ecological, social or ethical risks resulting from the core business, plays an important role for sustainable finance. For us, this includes transactions, products and customer relationships where environmental and social factors play a particular role – for example, where projects lead to increased pollution of the air, water or soil or could involve overexploitation of natural resources. We also take into account the respect of human rights as part of the business activities with our customers. This may, for example, relate to nearby residents or workers in mining areas of developing and emerging countries.

The responsibility for this lies with the Reputational Risk Management of Commerzbank Aktiengesellschaft. It defines the criteria for and limits of business operations by carrying out a differentiated analyses of transactions, products and customer relationships. It places a particular focus on ensuring that lending activities are compatible with the Bank’s sustainability principles, which are set out in position papers and directives on environmental and social risks. This includes a detailed position on promoting and respecting the human rights of our own employees and at suppliers and customers, which is available online.

The examination process starts in the front office: as soon as an issue defined as sensitive by the Bank is affected, the relevant product, transaction or customer relationship must be presented to Reputational Risk Management, which performs in-depth research into possible ecological and social risks that may be associated with the existing or potential business partners or the transaction content. In this process the department looks at information and reports from non-governmental organisations and analysts as well as media reports and company publications. Subsequently an extensive analysis is performed, which concludes with a differentiated vote. The assessment uses a five-point scale and can result in a rejection of the product, the transaction or the business relationship.

- Key figure: In 2018, Commerzbank Aktiengesellschaft’s Reputational Risk Management investigated around 5,900 cases (2017: 6,000; 2016: 6,200) involving environmental, social and ethical issues.

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, moreover, forms part of Commerzbank’s overall risk strategy (for more information please see the Group Risk Report, page 139). If Reputational Risk Management identifies a material reputational risk in the course of an investigation, 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 CFO and the responsible Segment Board members on a quarterly basis. Since the third quarter of 2018 this information has additionally been sent to the full Board of Managing Directors and the Supervisory Board’s Risk Committee.

In 2018, Commerzbank Aktiengesellschaft developed a new framework for handling environmental and social risks in the core business, which is published online. It contains a detailed description of the process we use to manage these risks. The framework additionally includes all industry-specific requirements, for example relating to mining, energy, oil and gas. Cross-sector requirements relate to human rights and indigenous peoples. Exclusion criteria were defined for particularly critical products, transactions or business relationships. For example, Commerzbank Aktiengesellschaft does not finance any new coal-fired power stations or projects relating to fracking or tar sands.
Employees are sensitised to the commercial relevance of non-financial issues in a quarterly newsletter, among other things. For example, due to the great importance of the energy sector in reputational risk management, one issue in 2018 was dedicated to the risks of oil and gas produced through fracking and from tar sands. On top of this, presentations are held at selected locations and a continuous exchange takes place with the front office in the course of the evaluation processes and discussions of issues.

To continue developing its reputational risk management, Commerzbank monitors issues of potential environmental and social relevance on an ongoing basis and checks how they may be embedded in the Bank’s internal processes and evaluation criteria. For example, a position on tobacco and cigarette production is scheduled to be published 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.

The Group’s formal risk management requirements, such as the requirement of defined loan approval and decision-making rules, generally also apply to the material subsidiaries and are agreed with the Reputational Risk Management of Commerzbank Aktiengesellschaft as global functional lead. The Group companies define priorities according to the requirements of their business model, for example based on the reasons for customer complaints. For instance, mBank in Poland operates its reputational risk management based on a commitment to the United Nations Global Compact. The policy, applicable since 2016, on providing services and financing to entities operating in areas that are particularly sensitive in terms of mBank’s reputational risk is designed to implement this commitment and can lead to particular lending transactions or the opening of bank accounts being turned down. mBank’s reputational risk strategy is reviewed annually and coordinated with the parent company.

**Sustainability effects of lending**

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.

Thus corporate and project finance along the entire value chain of renewable energies has been part of Commerzbank’s portfolio since the 1980s. The core business of Commerzbank’s Energy Competence Centre 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 or private investors. Today we number among the main financers of renewable energies in Europe and continue to drive internationalisation forward. Among other things, our first project financing transaction in Latin America – for a combined photovoltaic and solar thermal power plant in Chile – was successfully completed in 2018. In addition, 2018 saw the Energy Competence Centre assist three new offshore wind parks in European countries outside Germany as a syndicate leader and hedging bank.

mBank in Poland will also increase its commitment to environmentally friendly product solutions. In November 2018 it decided to allocate an initial sum of around €116m (PLN 500m) to finance projects in the renewable energies sector, especially wind parks and photovoltaic systems.

- **Key figure:** The loan exposure of the Energy Competence Centre (exposure at default) came to around €4.6bn in 2018 (2017: €4.6bn, 2016: €4.5bn).

We also include sustainability aspects when developing traditional finance solutions by advising our corporate customers on the benefits of public-sector funding. Thus customers can benefit from favourable conditions of development loans when it comes to financing energy efficiency projects. With a share of around 9% in KfW’s commercial energy efficiency programmes, Commerzbank Aktiengesellschaft is one of the leading banks in Germany in using public-sector funding for such investments by small and medium-sized enterprises.

In retail banking, Commerzbank Aktiengesellschaft focuses on responsible lending. This comprehensive advisory approach 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.
Sustainable investments and capital market products

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 2018 alone, Commerzbank Aktiengesellschaft was lead manager in the issuance of 20 green and social bond transactions. We also cooperate with industry associations and similar interest groups and thus help actively shape the development of the market.

In October 2018, the Bank issued its first own green bond with a volume of €500m and a term of five years. The order book with a volume of more than €1.1bn shows that investor interest is considerable. The bond was developed on the basis of the Green Bond Principles, a market standard which provides a high degree of transparency as to how the funds are actually used. On this basis we have earmarked the bond proceeds for loans for onshore and offshore wind projects and solar projects in Germany, other European countries, and North and South America. With an installed capacity of just under 462 megawatts the projects refinanced by means of the bond save around 755,200 tonnes in CO₂ emissions each year. The Green Bond Second Party Opinion of sustainability rating agency Sustainalytics confirms that the bond fulfills the requirements of the current Green Bond Principles.

- Key figure: The total volume of all green and social bonds whose issuance Commerzbank Aktiengesellschaft accompanied in 2018 comes to €11.4bn including the Bank’s own green bond (2017: €5.8bn, 2016: €5.2bn).

The Group also offers its customers an increasing number of investment opportunities in the growing market of responsible investments. For example, Commerzbank Aktiengesellschaft and comdirect distribute sustainability funds from various providers to private and institutional customers. The in-house fund Global Stocks – Catholic Values allows investors to participate in the performance of an international stock portfolio based on the MSCI Catholic Value Custom Index. At the end of 2018 this fund received the seal of approval from Forum Nachhaltige Geldanlagen (FNG), an industry association promoting sustainable investment in Germany, Austria and Switzerland, for the third time in a row.

Comdirect’s motif investing allows customers to invest selectively in megatrends such as biotechnology, health, consumer goods, sustainability, robotics and technology. At the end of 2018, the most successful trend was sustainability with 34% of securities purchased, followed by robotics with 20%. For a sustainability custody account, comdirect makes available selected sustainable funds, exchange-traded funds (ETFs) and equities, from which customers are able to compile a custody account of their choice. Comdirect customers can also choose between a number of sustainable products in other investment formats such as savings plans or ETFs.

Wealthy private individuals and corporate customers can agree individual sustainable asset management with Commerzbank Aktiengesellschaft where, on the equity side, investments are made exclusively in individual equities with a high sustainability rating. The Bank has set itself 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. This percentage had almost doubled by the end of 2018, with the Bank therefore being on track to achieve its target.

Commerz Real combines sustainable investment opportunities with a contribution to shaping the energy revolution: it invested in solar energy for the first time back in 2005, and since then it has made investments in a large number of solar plants accessible to private investors through funds. Since 2016, professional investors have had the opportunity to invest in onshore wind energy systems. The first offshore wind park will be added in 2019. With a total annual output of 534 megawatts from around 50 ground-mounted solar power plants and eleven wind parks, Commerz Real today numbers among the major German asset managers in this segment. The total investment volume in renewable energies came to around €1.18bn at the end of 2018. Moreover, Commerz Real attempts to improve sustainability in managing its real estate assets, for example by obtaining electricity from renewable energy sources. Sustainability criteria are also integrated in the due diligence process when buying real estate. Buildings with sustainability certificates currently account for 37.1% of the market value of HausInvest, one of the biggest open-end real estate mutual funds in Germany with around €14bn under management at the end of 2018.

The Commerzbank Group also takes sustainability aspects into account for its German occupational pension products: asset managers selected for the Bank’s pension plan must have signed the UN Principles for Responsible Investment (PRI). Moreover, Commerzbank Aktiengesellschaft is a participant in the European emissions trading system and a member of the World Bank’s Carbon Pricing Leadership Coalition (CPLC).
Our responsibility towards customers

The Commerzbank Group can only be successful on a sustainable basis 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. For this reason, the protection of customer data and compliance with banking secrecy requirements are of the utmost importance.

Protection of data privacy and data security

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. 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. It is the responsibility of the individual companies to implement these principles because no Group-wide collection of data takes place for data protection reasons.

The data protection officers of Commerzbank Aktiengesellschaft 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 2018, this includes in particular the new EU General Data Protection Regulation (GDPR). Record-keeping and accountability obligations are among the central concerns of the GDPR, which we meet through an extended data protection documentation. 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. In Poland, the data protection officer of mBank and the associated team support the business units of mBank. At comdirect, the increased requirements led to the establishment of an independent Data Protection department in 2018.

In view of the fact that the Bank has around 18.8m retail 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 in 2018 was once again very low. For example, the data protection officer of Commerzbank Aktiengesellschaft in Germany received 369 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.

Measures to prevent payment fraud and the resultant losses are of great benefit for customers, as they make it possible to identify fraud attempts early on, minimising losses. For the form of fraud “CEO fraud” that tricks corporate customers into making payments, Commerzbank AG offers a range of courses for customers in Germany and at selected European locations to address this issue. In July 2018, comdirect’s high security standards were recognised by the German magazine Focus-Money, which awarded comdirect the title of “most secure online bank” (first place in the direct banks category).

Transparency and fairness in customer relationships

Fairness towards the customer means for us that we provide comprehensive and readily understandable advice on financial products, their risks and possible alternatives guided by the customer’s long-term needs together with transparent and readily understandable documentation of the advisory process.

For instance, Commerzbank Aktiengesellschaft 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 individual solutions and financial plans, has received multiple awards, most recently in the national “Best Local Bank” test, where it was the overall winner in 2018. Moreover, Commerzbank has in recent years introduced new products and services that are particularly beneficial to customers. These include free current accounts, accounts with a satisfaction and security guarantee, mortgage financing with a free choice of supplier or the “savingsCheck” electricity and gas supplier comparison platform which comdirect offers.

The willingness of Commerzbank customers to recommend the Bank plays an important role in the sales management of Commerzbank Aktiengesellschaft and in the remuneration system of comdirect. The benchmark we use in the Private Customers segment is the net promoter score (NPS), an internationally recognised standard for measuring customer satisfaction. Each month, around 15,000 customers of Commerzbank Aktiengesellschaft are asked in a brief telephone interview whether they would recommend their branch to others. The resultant information is used to improve customer service and thereby achieve a lasting increase in customer satisfaction. The proportion of private and small-business customers with a strong willingness to recommend the Bank (“promoters”), as determined by the NPS of Commerzbank Aktiengesellschaft, once again stood at over 60% in 2018. The majority of comdirect customers are also promoters of their bank (65%).
That is a high level, which is reflected in the growing number of new customers: in 2018, the segment exceeded the one million net new customers mark since the Commerzbank 4.0 strategy was launched at the start of the fourth quarter of 2016. The target set out in the strategy is to gain 2 million net new customers by 2020.

- Key figure: The Private Customers segment gained just under 420,000 new customers net in Germany in 2018 (2017: 502,000).

Customer satisfaction is also a priority for mBank. Projects such as “mSatisfaction” are designed to further strengthen customer loyalty. mBank measures satisfaction with the relationship in general and with particular products and processes in retail and corporate banking by using the NPS. In 2018, the results in both customer segments substantially exceeded the Polish industry average. In the Forbes ranking of “Banks recommended for business” in Poland, mBank ranked second in September 2018 and thus occupied a top position for the third year running.

In Commerzbank Aktiengesellschaft’s corporate customer business, regular customer surveys are carried out to provide information on how satisfied customers are with the service they receive in this segment and what expectations and suggestions they have for the relationship. Based on the surveys, most of our corporate customers intend to take advantage of the Bank’s service offerings to the same extent as currently and are happy to recommend us.

The Group’s companies actively engage with customers so as to take systematic account of their interests: experts communicate with customers through various media to ensure that their ideas and suggestions are taken into account when developing products and services. These include the UX Studio, a test laboratory where we involve customers in the development of digital products and services. UX stands for user experience, that is, the customer’s experience when using a product. The UX Studio allows customers to test and experience products and services in the development phase and to give direct feedback to the development team. comdirect customers can get involved in the “comdirect community”, an internet platform where customers and others with an interest in the financial market can discuss products and other financial topics with the Bank.

The Corporate Clients segment of Commerzbank Aktiengesellschaft regularly conducts customer surveys on specific topics in order to develop its product and services range.

This provides information on customer needs and preferences, which can be used in the design of products and processes. The aim is to base product optimisation and innovation on the benefits provided to customers, e.g. in the field of digitisation.

In the same way, Commerz Real uses regular surveys of the tenants of its properties to integrate the needs of this important customer group in the development of its product range, most recently in December 2017.

To make Commerzbank offerings accessible to all interested parties, we go to great lengths to make our branches fully accessible. At present, around 65% of our branches are fully accessible by customers with restricted mobility. We make sure to provide full access for all user groups if possible whenever we renovate a branch or install an ATM. For cash disbursements, all of Commerzbank Aktiengesellschaft’s ATMs have a read aloud function for visually impaired customers. Further information on our efforts to be inclusive, including towards our employees, can be found in the following chapter under “Diversity and equal opportunities”.

Our responsibility as an employer

The corporate success of the Commerzbank Group is based on qualified and motivated employees. More than 49,000 employees worldwide contribute their knowledge and experience to our work processes. A fundamental appreciation of the importance of fairness, respect of others and lived diversity is anchored in our code of conduct; it is our responsibility as an employer to ensure its implementation.

Employer attractiveness

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 digitisation in order to remain viable. The headcount reduction decided on within Commerzbank Aktiengesellschaft in this context was further implemented in 2018 in a socially responsible way. By contrast, Commerz Real, comdirect and mBank are currently not reducing their headcount.
One of the major challenges for HR work in the Group is to carry out the headcount reduction at Commerzbank Aktiengesellschaft with fairness while at the same time retaining employees in a challenging labour market and securing young, able talent for the digital transformation. To counteract the demographic bottleneck resulting from the exit of the baby boom generation, our human resources and capacity management activities are guided by long-term developments. Initiatives to ensure that the Bank has a healthy pipeline of future talent are firmly anchored in the strategic agenda of HR until 2020.

It is no less important to qualify employees for the transformation of the banking sector resulting from digitisation and to develop their abilities on an ongoing basis. To this end, the Commerzbank Academy offers various qualification modules as part of its various development offerings including a large number of seminars, workshops and e-learning opportunities. The “Digital Campus” of Commerzbank Aktiengesellschaft drives the transformation into a digital technology company. Qualifications are obtained not only through seminars but also on the job. Employees assigned to the Digital Campus substantially accelerated the development and implementation of digital projects in 2018. We are also addressing the increasingly digital working world within the Group through changes in work structures: mobile technical applications, agile working and flexible workplaces and working hours are just a few of the keywords in this context.

Alongside professional development, work-life balance is an important goal to remain attractive as an employer. Within Commerzbank Aktiengesellschaft this balance is ensured by concepts for different stages of life with specific offerings, such as flexible working time models, sabbaticals and the “Keep in Touch” programme, which facilitates the return to work after parental leave. On top of this, we offer advisory and support services through pme Familienservice relating to childcare, home care and care for the elderly, employee networks and information events. 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 caring for relatives. In 2018, Commerzbank Aktiengesellschaft was awarded the “audit workandfamily” certificate for the sixth time. A good work-life balance is also made available to comdirect employees, relatives with disabilities and the promotion of cultural diversity within the Group.

Furthermore, we want to enable our employees and managers to take personal responsibility for their health and well-being, building up the resources they need to meet the changing requirements. To this end, we support them with a wide range of preventative measures such as professional advisory offerings and training, including how to deal with demands, and with campaigns to encourage people to keep mobile. The package of measures on “avoiding health risks resulting from an always-on work culture” was launched in 2018 and has already been largely implemented: through events for managers, keynote speeches and audio events. In 2013, Commerzbank Aktiengesellschaft was the first company in Germany to obtain a certification of its occupational healthcare management from TÜV Süd according to the Corporate Health Standard.

Although the principles of HR apply Group-wide, there are some company-specific particular features when it comes to how they are implemented. Commerzbank Aktiengesellschaft and Commerz Real implement most concepts jointly. comdirect works to improve its employees’ health through sport and relaxation courses, an employee support programme delivered through specialist service providers offering advice on both physical and psychological health issues, and a company doctor service. In Poland, the employee benefits fund of mBank provides financial help to mBank staff, retirees and their family members in health emergencies. Furthermore, mBank collates a picture of employee satisfaction and the working environment every year through its employee engagement survey. Employees can make suggestions for improvement in the survey and give anonymous feedback on the organisational units they work with.

Information on HR risks such as those related to motivation, resignation and bottlenecks are regularly reported to the Board of Managing Directors (see Group Risk Report, page 140 f.).

Diversity and equal opportunities

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. For almost 30 years, Commerzbank’s Diversity Management has been working for an open and fair Group-wide environment 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.

Teams characterised by diversity often perform better, and they are also indispensable for corporate success in view of internationalisation and demographic change.
Although a small majority of the Commerzbank staff is female (53%), women are not yet represented at management level to the same extent. For this reason, over the past years the measures designed to promote a good work-life balance have been further improved in order to open up fresh career opportunities for women, in particular. They include the expansion of childcare offerings, innovative part-time working models, including for managers, and a Bank-wide mentoring programme.

In this way Commerzbank has recently increased the proportion of women in leadership positions to more than 30% Group-wide. The Bank has set itself the goal of achieving a proportion of 35% across all management levels by the end of 2021; the 2018 figure in the Group was 30.8%. At Commerzbank Aktiengesellschaft Germany the proportion of female managers fell slightly to 28.0% in the year under review due to the headcount reduction (previous year: 28.6%). 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. Further information on the proportion of women on the Supervisory Board and Board of Managing Directors and at the first and second levels of management can be found in the Corporate Governance Report on page 26 ff.

- Key figure: The proportion of women in management positions came to 30.8% Group-wide at the end of 2018 (2017: 30.7%, 2016: 29.8%).

The inclusion of people with disabilities is another part of our Diversity Strategy. In July 2018, we were the first bank in Germany to publish an “action plan on inclusion” on the basis of the UN Convention on the Rights of Persons with Disabilities. In the action plan we have committed ourselves to the implementation of major goals and measures by 2023 in order to improve the situation of people with disabilities within Commerzbank Aktiengesellschaft. This includes both employees and customers of the Bank. In particular, the Global Diversity Council, the representative body for severely disabled persons and the accessibility project group are working jointly to ensure that our buildings and our digital services are barrier-free. The motto of Germany’s Diversity Day in 2018 was “inclusion of people with disabilities”, which the Bank marked with a full week of activities with information events. At the end of 2018, 5.7% of all Commerzbank Aktiengesellschaft’s employees were severely disabled.

Between 2014 and 2017 the Bank consistently exceeded the statutory requirement of 5% and no compensation was payable.

We consider the diversity of our employees to be a success factor for the Bank’s performance. In Germany alone, the Group employs people from around 80 nations. Their diverse origins vitalise and enrich interactions. Differences in viewpoint and experience lead to new ideas. With its lived corporate culture Commerzbank wants to set an example of openness, respect and mutual understanding. In 2018, the Bank received the Total E-Quality award for sustainable promotion of equal opportunities and a prejudice-free working environment.

In Poland, mBank signed the Responsible Business Forum’s Diversity Charter in 2018. It commits the Bank to preventing discrimination at the workplace and to take measure to create and promote diversity.

Further information on employee issues can be found on page 93 ff of the Group Management Report.

Our responsibility in corporate governance

For us, sustainable corporate governance includes the promise to be “the bank by your side”. We want to be a reliable partner for our stakeholders, and our actions are guided by ethical values such as integrity and fairness. We are committed to complying with laws, directives and market standards, but also make voluntary commitments and adhere to a range of internal guidelines. For example, the binding global code of conduct guides our employees in correct and ethical behaviour in their everyday work. The code makes clear what Commerzbank expects from the employees in the Group: that they not only comply with laws, regulations and internal guidelines but also act in accordance with our guiding principles.

As an active part of society we want to positively impact the world around us. We achieve this primarily through the positive effects of our financial services on the economy and through the role of the Bank as an employer and taxpayer. We also view the offer of high-quality financial services as an important infrastructural contribution our Bank makes to society. The Commerzbank Group and its foundations also engage in extensive voluntary work for charitable purposes, for example through numerous cooperation and sponsoring projects and the support of staff in such projects.
**Integrity and compliance**

Compliance with the law and applicable guidelines is the foundation of corporate responsibility. To implement this Group-wide, Commerzbank’s Compliance division has wide-ranging authority and escalation rights, including powers to obtain information and carry out investigations. The focus of Commerzbank’s compliance activities is on combating money laundering, terrorist financing, insider trading, fraud, corruption and other criminal activities wherever the Bank does business. Moreover, we ensure the protection of insider information, other confidential data about our customers and their transactions and investor protection. 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 codes of conduct and internal directives.

With its cross-divisional “culture of integrity” project, Commerzbank Aktiengesellschaft instils in its employees what is important in their daily working lives: to act attentively, honestly and fairly in accordance with our ComValues. We are guided by these values, and they provide orientation in a dynamic environment. At the same time, it is important to treat compliance risks with the same relevance and professionalism as credit and market risks. In a Bank-wide campaign we report regularly on practical examples of correct conduct in grey areas, we indicate where potential violations of the law may occur and what the response should be, accompanied by a poster campaign in Germany and at the international locations. mBank launched a similar initiative in early 2018. At its core, “Culture of Integrity” is about drawing attention to compliance requirements and illustrating how creating this culture is the responsibility of every single employee.

To promote conduct characterised by a high degree of integrity and reward employees who act as a role model, Commerzbank Aktiengesellschaft created the Culture of Integrity Award in 2018. It is given to employees or teams who have distinguished themselves through their integrity and protection of customer and bank interests. The first recipient in May 2018 was a sales assistant and a relationship manager who showed great commitment in the face of initial resistance by the customer and prevented a corporate customer suffering a loss of around €1m from CEO fraud. The around 30 nominations from various sections of Commerzbank Aktiengesellschaft worldwide included exemplary conduct when uncovering insider trading and unusual money laundering or fraud activities and, in general, with regard to issues of integrity and compliance.

In our fight against corruption and bribery we do more than simply take into account existing statutory requirements 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. These external standards are supplemented with internal guidelines: Commerzbank’s Global Anti-Bribery and Corruption Policy (ABC Policy) seeks to combat bribery 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. Special ABC training has been developed to support employees in implementing the policy. It is mandatory for all staff and managers to complete this training every year. Business and functional units with heightened risk profiles and individuals in functions at Commerzbank that have an increased risk of bribery and corruption receive additional needs-based training. For example, assistants to the Board of Managing Directors underwent special training in 2018. In addition, an anti-corruption team is available to answer questions at any time.

Corruption and other criminal acts by staff are explicitly not tolerated by Commerzbank. 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 labour, civil and criminal law.

- Key figure: We are not aware of any cases of corruption in the Commerzbank Group in 2018 (2017: –, 2016: –).

The core tasks of Compliance also include meeting regulatory requirements for the prevention of and fight against money laundering and terrorist financing. Alongside local laws, regulatory requirements and industry standards, we also take into account recognised international standards such as the recommendations of the Financial Action Task Force on Money Laundering (FATF) and the Wolfsberg Anti-Money Laundering Principles. Commerzbank uses the know-your-customer principle, which involves obtaining detailed knowledge about and an examination of the customer in order to create transparency in business relationships and individual transactions.

It is the task of Compliance to ensure that the financial and economic sanctions and embargoes applicable for Commerzbank and additional regulatory requirements are observed. This also includes the implementation of UN sanctions provisions aimed at protecting human rights.
To this end, we enact directives and instructions, we inform the different Group divisions about sanction-related restrictions to business policies, advise them in their implementation and monitor compliance with them. If Commerzbank has business relationships with countries affected by sanctions, these are monitored closely and accompanied by measures which can include termination of the business relationship.

The Commerzbank Group furthermore takes extensive precautions to prevent fraud. Compliance has defined a large number of measures to prevent, uncover and respond appropriately to financial crime, with the aim of protecting the assets of our customers and the Bank. The main rule is a zero tolerance approach to attempts at fraud. This also means that we are open to tip-offs. Alongside proven communication channels such as contacting the Compliance and Audit departments, Commerzbank has set up a whistle-blowing platform called the Business Keeper Monitoring System (BKMS). It allows customers, employers and third parties to report any suspicion of financial crime within Commerzbank, anonymously if requested.

Market and customer protection plays an equally important role for Commerzbank. In addition to legal consequences, violations can harm the Bank’s reputation and lead to a loss in profitability. We therefore provide information to our customers, explain risks and fulfil recording and retention requirements in order to verifiably document the fact that our actions comply with rules. We have introduced a system for managing conflicts of interest aimed at avoiding potential conflicts of interest or resolving them appropriately. For instance, Commerzbank Aktiengesellschaft uses a conflict of interest tool in its corporate customer business, which collects and checks data on relevant transactions in the corporate customer and capital markets businesses. We counter attempts at market manipulation resolutely and work to respect the integrity of markets and the need of our customers for protection.

Commerzbank has introduced central prevention systems for the Group in order to identify, monitor, mitigate and avoid compliance risks wherever possible. These systems comprise risk analysis, compliance reviews including an evaluation of their effectiveness, training, mandatory time away, reliability checks of potential employees, the due diligence reviews of third parties, an integrity clause to be signed by all suppliers and service providers and the whistle-blowing system (BKMS).

Potential compliance risks are evaluated and mitigated on the basis of a risk analysis. It is carried out once a year and applies to all Group companies, branches and companies otherwise affiliated or dependent in Germany and abroad that are deemed to be relevant for compliance purposes.

We regularly review the prevention measures implemented as a result of the risk analysis and supplement them as needed. In order to satisfy the requirements of increasingly complex national and international legislation and regulations, the Group is continuously developing its compliance risk management and bringing it into line with current developments and challenges.

Since 2018, Commerzbank has been working with a new “regulatory tracking” application. This central workflow tool documents the findings of the ongoing risk observation and the resulting implementation projects and is based on the approach adopted by the MaRisk compliance function. It seeks to identify the main legal provisions and requirements of relevance to Commerzbank, to implement appropriate and effective processes to ensure compliance with these and to perform corresponding checks. Group-wide implementation extends to all of Commerzbank Aktiengesellschaft’s units in Germany and abroad together with the material subsidiaries.

Moreover, in the year under review the Bank’s consequences management was established globally in order to ensure that, wherever possible, sanctions are uniformly applied to violations of rules and statutory or regulatory provisions. 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 allows mistakes to be used as a learning opportunity and to adjust rules and processes accordingly. The Bank has a strict approach to criminal offences. Employees will face the full possible consequences under labour, civil and criminal law.

Further information on the compliance function and compliance risks can be found in the Group Management Report on page 67 f. and in the Group Risk Report on page 137 f.

Stakeholder dialogue

Corporate responsibility also means seeking a regular exchange with external and internal stakeholders. Commerzbank maintains relationships with organisations and groups which approach the Company with requests, demands or suggestions. We prioritise dialogue with stakeholder groups which have a perceptible impact on Commerzbank’s economic, ecological or social performance or are heavily affected by it. Alongside the employees, this includes the capital market, customers, suppliers, the media, non-governmental organisations, political bodies, representatives of civil society and science.
Given the loss of trust in the wake of the financial market crisis, the discourse on important questions relating to social, economic and financial policy is of great importance to us. Commerzbank pursues an active and transparent dialogue with a view to satisfying the expectations and needs of its stakeholders, including them in its corporate strategy and setting out its own perspective. For example, we regularly discuss the potential impact of our business activities on human beings and the environment with non-governmental organisations. We are also engaged in a continuous dialogue with domestic and international regulatory and supervisory authorities and decision-makers in politics in order to improve the clarity and reliability of provisions on products and services – in the interests of both our customers and our long-term planning capability.

Commerzbank maintains liaison offices in Berlin and Brussels and one of its employees is located at the Institute of International Finance (IIF) in Washington. The Bank is registered with the EU’s Transparency Register and reports on local activities, acting persons and annual policy development expenditure. Several formats of events exist for the dialogue with political representatives, particularly in Berlin. Among them is the “Political Breakfast”: in the weeks when parliament is in session, guest speakers debate social and economic policy issues with representatives from politics, science and business. In December 2018, Tijen Onaran was also a guest at “Commerzbank in Dialogue”. The CEO and founder of Global Digital Women discussed the importance of the digital transformation for business, politics and society with the Chairman of the Board of Managing Directors of Commerzbank, Martin Zielke. The “She VIP Lunch” provides a further communication platform where successful women in business, politics, society, the media and diplomacy debate aspects relevant to social policy. In accordance with its donations directive which applies Group-wide, Commerzbank makes no donations to political parties, party institutions or politicians.

SME topics are at the heart of Commerzbank’s “UnternehmerPerspektiven” initiative (Business Owners’ Views). Once a year it surveys 2,000 owners and managers at the first management level from companies of different sizes and industries. Representatives from business, associations, politics and science debate the results in public podium discussions. In 2018, the focus was on big data and the associated opportunities and challenges for SMEs. At 19 events across Germany and one event in Switzerland, participants had the opportunity to exchange viewpoints, gather ideas regarding implementation and forge new contacts.

Social commitment

In terms of social commitment, the Commerzbank Group engages in a variety of ways with its social environment. Numerous projects and initiatives developed together with partners from politics, the economy and society contribute to resolving current problems. Although social commitment is not regarded as material for the purposes of mandatory CSR reporting, Commerzbank is convinced of the positive impact it is able to achieve.

Here, Commerzbank Aktiengesellschaft focuses on education and sports. One example is the environmental internship launched by the Bank and the German national parks in 1990. Every year, the internship gives up to 70 students practical experience in the areas of environmental education and PR work in national parks throughout Germany. We organise and finance the environmental internship, while the national parks provide the practical and theoretical training. In 2018, the Bank held a scheduled review and decided to continue the project until at least 2022. Almost 1,600 students have taken part in the programme since it began. After completing the programme, the graduates then bring their experience to bear in business, politics, society and environmental protection.

The Green Band initiative (“Das Grüne Band”) has been going even longer – for over 30 years. Together with the German Olympic Sports Confederation, Commerzbank Aktiengesellschaft awards a prize of €5,000 to 50 sports clubs annually that have made outstanding contributions to promoting talent and youth in sport. To date, over 500,000 children and young people in more than 1,800 sports clubs have benefited from the initiative. The support of popular sports is also at the focus of the cooperation project DFB Junior Coaches. While the DFB trains young people in schools to become junior football coaches, Commerzbank mentors provide support in preparing the young people for working life: they organise job application training and provide work experience for school students in Commerzbank branches.

The companies of the Commerzbank Group also place an emphasis on corporate volunteering as part of their social commitment. Staff are encouraged and enabled to volunteer by being granted leave and being provided with the necessary infrastructure. This personal commitment benefits society and improves the living conditions of disadvantaged people. At the same time, volunteering raises morale in the workplace and promotes mutual understanding among staff. Our staff can become involved in a whole range of projects: in Germany, for example, they can take part in the Malteser Social Day, help prepare disadvantaged youth for working life or assist in refugee integration, non-profit sports projects, the business@school initiative or various Christmas activities.
In the past year Commerzbank Aktiengesellschaft donated a total of around €332,000 to various institutions and organisations.

In the year under review mBank was also for the first time the official bank partner and sponsor of Poland’s biggest charity event: for many years the Great Orchestra of Christmas Charity Foundation has worked to improve Polish healthcare, especially in paediatrics and for care patients, as well as supporting an education programme. At the final event in January 2018 mBank announced that it would match its customers’ donations, setting up various payment options in mobile and online banking and at ATMs for this purpose. Customers donated a total of around €1.6m (PLN 7m), which exceeded all expectations. mBank subsequently matched this donation. In 2018, the “Golden Banker” competition in Poland presented mBank with an award for its social commitment in the “Socially Responsible Bank” category.

Various foundations run or supported by the Group also make an important contribution to the sustainable development of society. Within Commerzbank, several foundations are active in the areas of education, science, art and culture and social engagement: the Commerzbank Foundation supports key facilities and exemplary projects related to scientific, cultural and social activities throughout Germany, providing incentives for young researchers, cultural mediation and social participation. The Jürgen Ponto Foundation has been promoting young artists in Germany for around 40 years, in music, the visual and performing arts and literature. In addition, six social foundations have been established to provide financial support to the Bank’s employees in unforeseeable emergencies. The common aim of all the foundations is to make a long-term and sustainable contribution to the future viability and development of society. In 2018, Commerzbank Aktiengesellschaft supported these foundations with a total of €925,000, which funded staff, workplaces and other operating costs, among other things.

comdirect is involved together with the Stuttgart stock exchange in the German Numeracy Foundation (“Stiftung Rechnen”) that promotes the importance of mathematics as a fundamental science and the improvement of maths skills in Germany. The mFoundation in Poland has a similar objective. For the period from 2014 to 2020, it has put an emphasis on its “m for mathematics” strategy, which entails working with schools, universities and libraries to strengthen maths skills across the country. In 2018, the funding volume of mFoundation came to around €925,000 (PLN 3.97m).

About this report

Under the German Act on Strengthening Corporate Non-Financial Reporting (CSR-Richtlinie-Umsetzungsgesetz), Commerzbank is obligated to prepare a non-financial report (Art. 340a (1a) of the German Commercial Code). With this non-financial report for Commerzbank Aktiengesellschaft and the Group, we satisfy this requirement pursuant to Art. 340i (5) in conjunction with Art. 315b (3) and Art. 298 (2) of the German Commercial Code.

In autumn 2018, we conducted a materiality analysis to identify ten non-financial issues for the non-financial report. These are issues that are material to understanding the development and performance of the business and on which our business activities have a significant impact (see table “Content of the non-financial report”). Based on the materiality analysis last performed in 2015 we first analysed studies, standards and ratings and established which issues may be relevant. A panel consisting of eleven representatives of external stakeholder groups formulated their expectations of Commerzbank in qualitative interviews and prioritised the issues in order of relevance. We were additionally able to establish the business relevance of these matters and the significance of the impact our business activities have on them in an online survey of employees and managers. A workshop was held with specialists from units with a sustainability connection to discuss the resultant materiality matrix, which was subsequently adopted.

Unless stated otherwise, the information in this report relates to the Group. Alongside the parent company, Commerzbank Aktiengesellschaft, the main subsidiaries according to the risk inventory were included, i.e. comdirect bank AG, Commerz Real AG, mBank S. A. and Commerzbank Finance & Covered Bond S. A. (CFCB). In many areas – compliance, HR management and reputational risk management, for example – the guidelines of Commerzbank Aktiengesellschaft apply to the entire Group by way of the “global functional lead” role. If arrangements in the subsidiaries differ from those of the parent company, this is indicated in the report. CFCB, which only had 10 staff at the end of 2018 and was in charge solely of a workout portfolio, did not have any additional information to contribute on non-financial issues in 2018 and is included in the information on Commerzbank Aktiengesellschaft.
The option provided by law of using a reporting framework has not been adopted in the interest of providing focused information for the readership of our financial reporting. Nevertheless, the non-financial report is guided by the standards of the Global Reporting Initiative GRI where relevant for the ten issues. Detailed information on the corporate responsibility strategy of Commerzbank Aktiengesellschaft, the objectives of its sustainability programme and other non-financial indicators can be found in the comprehensive GRI report (Global Reporting Initiative) and the declaration of compliance with the German Sustainability Code published on the Group’s corporate responsibility web page https://www.sustainability.commerzbank.com. Apart from the description of the business model in the Management Report, references to further information are not an integral part of this non-financial report.

We are not aware of any material risks resulting from the application of the net method either from the Bank’s own business activities or in connection with business relations, products or services that would be highly likely to have a severe negative impact on the non-financial aspects, now or in the future. Further information on our risk management can be found in the Group Risk Report on page 110 f.

This non-financial report was subject to a limited assurance engagement, performed by the auditing firm Ernst & Young, in accordance with ISAE 3000 (revised). The report on the engagement can be found on page 328 f.

Content of the non-financial report

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Independent Auditor’s Limited Assurance Report

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Commerzbank Non-financial Report 2018. The following text is a translation of the original German Independent Assurance Report.

To Commerzbank AG,
Frankfurt/Main

We have performed a limited assurance engagement on the non-financial report of Commerzbank AG according to §§ 340a in conjunction with 289b HGB (“Handelsgesetzbuch”: German Commercial Code), which is combined with the non-financial report of the group according to §§ 340i in conjunction with 315b HGB, consisting of the Combined Separate Non-financial Report as well as the sections “Structure and organisation” and “Objectives and strategy” of the chapter “Basis of the Commerzbank Group” in the Group Management Report being incorporated by reference, for the reporting period from 1 January 2018 to 31 December 2018 (hereafter non-financial report). Our engagement did not include any disclosures for prior years.

Management’s responsibility

The legal representatives of the Company are responsible for the preparation of the non-financial report in accordance with §§ 340a in conjunction with 289c to 289e HGB and §§ 340i in conjunction with 315c HGB.

This responsibility includes the selection and application of appropriate methods to prepare the non-financial report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of a non-financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s declaration relating to independence and quality control

We are independent from the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in audit firms [IDW Qualitätsicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor’s responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial report based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the non-financial report of the Company has been prepared, in all material respects, in accordance with §§ 340a in conjunction with 289c to 289e HGB and §§ 340i in conjunction with 315c HGB. In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor’s professional judgment.
Within the scope of our assurance engagement, which has been conducted between December 2018 and February 2019, we performed amongst others the following assurance and other procedures:

- Inquiries of employees regarding the selection of topics for the non-financial report, the risk assessment and the concepts of Commerzbank AG for the topics that have been identified as material,
- Inquiries of employees responsible for data capture and consolidation as well as the preparation of the non-financial report, to evaluate the reporting processes, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the non-financial report,
- Identification of likely risks of material misstatement in the non-financial report,
- Inspection of relevant documentation of the systems and processes for compiling, analyzing and aggregating data in the relevant areas e.g. compliance and employees in the reporting period and testing such documentation on a sample basis,
- Analytical evaluation of disclosures in the non-financial report,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data,
- Evaluation of the presentation of disclosures in the non-financial report.

Assurance conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of Commerzbank AG for the period from 1 January 2018 to 31 December 2018 has not been prepared, in all material respects, in accordance with §§ 340a in conjunction with 289c to 289e HGB and §§ 340i in conjunction with 315c HGB.

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with Commerzbank AG. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 4 March 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Nicole Richter ppa. Dr. Patrick Albrecht
Wirtschaftsprüferin (German Public Auditor)