

Report according to Global Reporting Initiative

For 2017, Commerzbank is reporting on its sustainability performance in accordance with the "Core" option of the Standards (2016) published by the Global Reporting Initiative (GRI). This report also serves as our annual Communication



on Progress regarding our implementation of the ten principles of the UN Global Compact (UNGC).

The report was available to the GRI for rendering the GRI Materiality Disclosures Service. GRI confirmed that the GRI Materiality Disclosures (102-40 to 102-49) were correctly located.

GRI content index

101 Foundation

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

102 General Disclosures

1. Organisational profile

Nr.	Disclosure	UNGC	SDG
102-1	Name of the organisation Commerzbank AG		
102-2	Activities, brands, products, and services In the Private and Small-Business Customers and Corporate Clients business segments, Commerzbank AG provides a comprehensive portfolio of banking and capital market services. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. As part of the Commerzbank 4.0 strategy, the Bank will digitalise 80% of its relevant processes by 2020 and further expand the range of products and services offered by the digital multi-channel bank.		
102-3	Location of the organisation's headquarters Commerzbank AG's headquarters are located in Frankfurt am Main, Germany.		
102-4	Location of operations Commerzbank has locations in almost 50 countries. Outside Germany, the Bank is represented in all of the world's major financial centres through 6 material Group companies, 21 operational foreign branches (2016: 23) and 32 representative offices and financial institutions desks (2016: 34). The focus of the Bank's international activities is on Europe. For details on		

Commerzbank's global presence, please see the [Annual Report 2017](#) (rear jacket).

102-5 **Ownership and legal form**

Commerzbank is a public limited company (AG) under German law. On 31 December 2017, approximately 50% of all Commerzbank shares were held by our major shareholders – the Federal Republic of Germany, Cerberus and BlackRock – as well as private shareholders, who are mainly resident in Germany. Approximately 50% of all Commerzbank shares were in the hands of institutional investors. Free float stood at roughly 75%.

[Shareholder structure](#) (PDF, 92 kB)

102-6 **Markets served**

Commerzbank is a leading commercial bank with [branches and offices in almost 50 countries](#) across all continents. In total, the Bank serves more than 18 million private and small-business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers and institutional clients. Commerzbank handles approximately 30% of German and a significant share of European foreign trade. With around 1,000 branches, it manages a nationwide branch network in Germany through which all customer groups are served. With 390 foreign branches (2016: 373), Commerzbank is also represented directly at the most important centres of commerce for its customers.

102-7 **Scale of the organisation**

In financial year 2017, the Commerzbank Group generated gross income of 9.2 billion euros and an operating profit of almost 1,303 million euros, with headcount averaging around 49,300 employees. Consolidated profit attributable to Commerzbank shareholders was positive and stood at 156 million euros, despite restructuring expenses of 808 million euros. Total assets stood at 452.5 billion euros as at 31 December 2017.

[Key performance indicators Commerzbank Group](#) (PDF, 35 kB)

102-8 **Information on employees and other workers**

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At the end of 2017, 30,876 people were employed at Commerzbank AG in Germany. Another 2,961 employees who work for Commerzbank AG abroad join this figure. Unless otherwise indicated, the figures for and information about employees below refer to Commerzbank AG employees in Germany. Headcount at Commerzbank AG in Germany decreased year on year by 1,166 employees. The majority of employees have permanent employment contracts. Around 28% of our employees currently work part-time.

[Employees by place of work and type of contract](#) (PDF, 35 kB)

[Employment split by gender and workforce by type of contract and gender](#) (PDF, 35 kB)

[Total workforce by gender and type of employment](#) (PDF, 35 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 2017](#) (pp. 58 and 59). Besides changes to the Board of Managing Directors and Supervisory Board, such events included specifically the agreement with the employee representatives on an outline reconciliation of interests and an outline social plan in July 2017. The binding agreements form the basis for ensuring that the personnel reductions announced by the Bank in autumn 2016 as part of the Commerzbank 4.0 strategy are handled as socially responsibly as possible. Around 300,000 customer agreements covering a portfolio of instalment loans totalling 3.5 billion euros were transferred from Commerz Finanz GmbH to Commerzbank after the joint venture with BNP Paribas Personal Finance S.A. was discontinued with effect from 18 August. Furthermore, the sale of the interest in the precious metal processor Argor-Heraeus S.A. and in the credit card service provider Concardis GmbH was finalised in 2017. Commerzbank and HSBC Transaction Services GmbH also reached agreement on a strategic partnership in securities settlement at the start of December 2017.

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 & Customers 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 market risks and drivers of market 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 2017](#) (p. 99 et seq.).

The early identification of environmental or social risks and the steps taken to adequately deal with them play a role in the Group's overall risk strategy and management via 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 ecologically sensitive topics, such as armaments, energy production and the exploitation of raw materials. Reputational Risk Management determines conditions and limits of Commerzbank's business activity through evaluation using a sophisticated system and by rejecting transactions, products or customer relationships that do not meet specified conditions. In 2017, Reputational Risk Management reviewed roughly 6,000 individual cases (2016: 6,200). Please see the section entitled "Sustainable finance" for details on reputational risk management.

[Requests for assessments in reputational risk management \(PDF, 63 kB\)](#)

102-12 External initiatives

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 (BAUM) (member since 1987)

- German Association for Environmental Management and Sustainability in Financial Institutions (VfU) (member since 2006)
- Rhine-Main Environmental Forum (member since 2009)
- German Sustainable Building Council (DGNB) (member since 2010)
- UPJ – German network of socially aware businesses and non-profit organisations (member since 2013)
- Roundtable on Sustainable Palm Oil (member since 2014)
- Green Bond Principles (member since 2014)

We are also members and/or signatories of the following initiatives:

- 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 management positions (signed 2011)
- The German Sustainability Code (statements of compliance since 2013)
- World Bank's Carbon Pricing Leadership Coalition (since 2015)
- Frankfurt Declaration – "Accelerating Sustainable Finance" (May 2017)
- Green Finance Cluster Frankfurt (November 2017)

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 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)

We also publish information on selected initiatives and memberships in the Sustainability Fact Sheet, updated quarterly.

102-13 Membership of associations

See 102-12.

2. Strategy

Nr.	Disclosure	UNGC	SDG
102-14	Statement from senior decision-maker	1-10	
	Dear Readers,		
	Keeping climate change and its impact as minimal as possible is one of the major challenges of our time. Here at Commerzbank, we have declared our support for the 2-degree target adopted in Paris. We are not alone in doing		

so: society as a whole increasingly supports sustainability and climate protection.

More and more frequently, financial institutions are being asked what contribution they can make from their core business to support sustainable development. Numerous initiatives have voiced expectations in this regard. Internationally, they include the EU Commission's High-Level Expert Group on Sustainable Finance. We at Commerzbank are actively bringing our expertise to bear in the work of the new Sustainable Finance Cluster Germany, for example.

Even within the Bank, we are taking action on the topic of sustainability. The Sustainable Finance Committee (SFC) started its work in early 2017. This Bank-wide committee connects all units that are capable of making a difference when it comes to sustainable finance. Our goal is to expand our range of sustainable advisory services and products for our customers and to develop new solutions.

Regardless of our envisioned objectives, we are already well positioned today. With a credit volume of 5.2 billion euros, we are one of the largest financial backers of renewable energy projects in Germany. When it comes to energy efficiency, we have been able to benefit from our leading position in the small and medium-sized enterprise (SME) sector. We brokered around 9% of the funding provided by KfW for such investments in the German economy to our customers. Not only do we refuse to provide financing for new coal-fired power plants, we also advise energy suppliers on how they can modernise their current energy mix.

But we want to grow even better. The SFC plays an important role here in making sustainability an even more integral part of our core business.

We do so in accordance with the ten principles of the UN Global Compact (UNGC) for human rights, labour rights, environmental protection and fighting corruption, plus we keep an eye on the 17 Sustainable Development Goals of the United Nations.

This report has been compiled in accordance with the Global Reporting Initiative (GRI) Standards. At the same time it represents the 2017 UNGC communication on progress. The Bank has also implemented the EU-wide CSR Directive and presented in a first non-financial report how the issue of corporate social responsibility has been reflected in corporate management.

In doing so, we take account of the interest that customers and investors have in a sustainable financial sector.

Yours,

Martin Zielke

Chairman of the Board of Managing Directors, Commerzbank AG

102-15 Key impacts, risks, and opportunities

Commerzbank aims to rise to the global challenges in its role as a responsible partner for sustainable 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 in 2017. In addition, we develop, market and sell products and financial services capable of promoting sustainable development. Please see the section entitled "Sustainable finance" for details.

In cooperation with colleagues from all divisions, Sustainability Management reissued Commerzbank's Sustainability Programme in 2017 and updated it in early 2018. The programme sets approximately 100 short-, medium- and long-term objectives that the Bank will work towards implementing in the years ahead. Commerzbank will also report on the objectives' implementation.

3. Ethics and Integrity

Nr.	Disclosure	UNGC	SDG
102-16	<p>Values, principles, standards, and norms of behaviour</p> <p>Commerzbank aims to be a reliable partner to its stakeholders. "The bank at your side" is the promise Commerzbank strives to measure up to. We are committed to the highest ethical values, to integrity and fairness, undertaking to comply with all prevailing legislation, directives and market standards. Yet Commerzbank's efforts to make its business operations sustainable go beyond simply complying with applicable laws and external regulations. It has also made voluntary commitments, such as to the <u>UN Global Compact</u>, and introduced various internal policies that provide the Bank's employees with clear guidance on how to conduct themselves, including the binding principles of the global <u>Code of Conduct</u>, which was revised in 2017. This sets out a framework for proper and ethically irreproachable behaviour in daily work and makes clear what Commerzbank and its Board of Managing Directors expect from all of the Group's employees: that they not only comply with laws, regulations and internal guidelines, but also stay within our guiding principles.</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 customer orientation, performance, integrity, team spirit and courage, which were updated in 2017; • <u>Corporate Responsibility Guidelines</u>, which refer to six areas of legal compliance and transparency, embedding the values in our core business, employee awareness, stakeholder dialogue, recognition of the UN 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. <p>An overview of these guidelines can be found on Commerzbank's <u>corporate responsibility website</u>.</p>	10	<u>16</u>

4. Governance

Nr.	Disclosure	UNGC	SDG
102-18	<p>Governance structure</p> <p>The Board of Managing Directors of Commerzbank is responsible for independently managing the Bank in the Bank's best interest. In doing so, it must take into account the interests of shareholders, customers, employees and other stakeholders, with the objective of sustainable value creation. It develops the company's strategy, discusses it with the Supervisory Board and ensures its implementation. 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.</p> <p>To ensure that it can perform its duties efficiently, the Supervisory Board has formed seven committees from its members. The current composition of the committees is described on p. 13 of the Annual Report 2017. Additional information can be found in the Annual Report 2017 in the report of the Supervisory Board (pp. 6–12) and in the corporate governance report (pp. 21–26).</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"> • The Corporate Responsibility department is responsible for the strategic focus and coordination of the Bank's economic, environmental and social sustainability performance. The department is also in charge of the corporate social commitments of Commerzbank. It maintains a dialogue with stakeholders and is responsible for internal and external communications on corporate responsibility. • Reputational Risk Management analyses transactions 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 non-governmental organisations on relevant issues. <p>Organisational structure of corporate responsibility (PDF, 68 kB)</p>		
102-25	<p>Conflicts of interest</p> <p>Conflicts of interests may arise whenever business interests are at stake. We make every effort to avoid such conflicts and have taken corresponding precautionary measures. Information on the subject is available in the Annual Report 2017 (pp. 10 and 49).</p>		<u>16</u>
102-35	<p>Remuneration policies</p> <p>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. To do</p>		

so, we have classified all positions at the Bank into career paths and levels and defined compensation brackets for them in line with market conditions.

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).

Detailed information on the remuneration of the Board of Managing Directors and the Supervisory Board can be found in the remuneration report presented in the [Annual Report 2017](#) (pp. 27–39).

5. Stakeholder engagement

Nr.	Disclosure	UNGC	SDG
102-40	<p>List of stakeholder groups</p> <p>For Commerzbank, assuming corporate social responsibility involves seeking regular dialogue with internal and external stakeholders. In this dialogue, we endeavour to meet the expectations and needs of our stakeholders, to incorporate them in 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>At Commerzbank, the committees representing the interests of our employees are the central works council, the central youth and trainee representative council, the central representative council of severely disabled persons, over 20 local works councils, youth and trainee representative councils, representative councils of severely disabled persons and the company spokesperson committee on behalf of the executives. The interest groups cover all Commerzbank employees with the exception of the Board of Managing Directors, which is not represented. 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.</p>	3	<u>8</u>
102-42	<p>Identifying and selecting stakeholders</p> <p>Commerzbank maintains relationships with all organisations and groups that come to the Bank with requests, wishes or suggestions. Our main focus is on dialogue with stakeholders that have a strong influence on the economic, environmental or social performance of Commerzbank, as well</p>		

as those that are strongly affected by the economic, environmental or social performance of Commerzbank.

102-43 Approach to stakeholder engagement

In its Corporate Responsibility Guidelines, Commerzbank commits itself to open and constructive dialogue with its stakeholder groups. This exchange is of great importance, especially considering the loss of public trust in the wake of the financial crisis. We believe it is our job to actively shape this dialogue with stakeholders and leverage the outcome in the interest of our corporate responsibility. To this end, we discuss the potential impact of our business activities on people and the environment, for example, with non-governmental organisations on a regular basis.

Commerzbank actively engages with customers so as to fulfil the interests of customers in the best way possible. Experts engage with customers in various forums to ensure that their ideas and suggestions are taken into account when developing products and services. As digitalisation offers new opportunities for direct client participation, Commerzbank is currently planning and testing new forums. For example, the Bank launched the Customer Solution Lab in 2017. Here, the objective is to involve customers in the development of innovative products and services. New concepts are presented as prototypes or in advisory meetings and discussed constructively. This gives Commerzbank immediate, concrete ideas for bringing its product range as closely as possible into line with the needs of its customers.

In the Commerzbank in Dialogue 4.0 event series at our Berlin liaison office, we engage in discussion with various interest groups on urgent social, business and financial policy topics. One of the topics covered in the period under review was the digital transformation of business, politics and society. We also promote dialogue through the regularly occurring Political Breakfast initiative. During a week when parliament is in session, guest speakers discuss social and economic issues with representatives from politics, academia and business. The topics on the agenda in 2017 included sustainable finance, risk management in the era of big data and advanced analytics, and whether Europe needs to play an even bigger role. The "mittags.werkstatt" series discussed the topic of sovereign bond-backed securities in the period under review. The She VIP Lunch is another communication platform where successful women from the fields of business, politics, society, media and diplomacy address matters of socio-political interest. Regina Ziegler, Germany's most successful female film producer, was one of the guests in 2017.

In terms of our employees' involvement in the company's operations, we not only rely on staff surveys, but also on our WikIdee ideas management platform, which has received multiple awards. All employees are able to submit suggestions and join in discussions through this online platform. A total of roughly 1,700 ideas were submitted in the year under review.

In the interest of our customers, and to facilitate long-term planning, we also regularly hold discussions with national and international regulators and supervisory authorities, as well as decision makers in the political arena, so that we can work towards clarity and consistency in the regulation of products and services.

Details about shareholder communications can be found on in the Annual Report 2017 (p. 25 et seq.).

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

102-44 Key topics and concerns raised

As part of workshops on the digitalisation of liquidity management, small-business customers contributed actively to the further development of our range of products and services in 2017. One of the things to come of this contribution is Cash Radar, an application that gives small-business customers a quick overview of their finances while using historical data to forecast the future balances of all linked accounts – even those at other banks – for up to four months as a valid basis for planning.

The Unternehmer-Perspektiven initiative seizes on key issues facing small and medium-sized enterprises (SMEs) and discusses them with the sector as part of a network made up of representatives of business, associations, academia and politics. Representative surveys of 2,000 SMEs in Germany that are interpreted and commented in cooperation with an advisory council made up of high-profile personalities serve as a foundation. To date, the initiative, which was founded in 2006, has published 17 studies that have been presented and discussed at more than 500 dialogue events throughout Germany and, since 2013, in Switzerland. One of the focal points in 2017 was the study "Next Generation: Neues Denken für die Wirtschaft", which dealt with new approaches to business.

One thing the political sphere aimed to do in 2017 was to get banks more strongly involved in the upcoming transformation processes designed to stop climate change and implement the Sustainable Development Goals of the United Nations. We were able to actively make our weight felt in various sustainable finance initiatives and working groups, such as the Sustainability working group of the Association of German Banks, the Sustainable Trade working group of the International Chamber of Commerce, the Task Force on Green Finance of the European Banking Federation or the Green Finance working group at the Institute of International Finance. Commerzbank has also been actively involved in the Sustainable Finance Cluster Germany. At the same time, we followed the recommendations of the Task Force on Climate-related Financial Disclosures and of the High-Level Expert Group on Sustainable Finance of the European Commission with great interest. Since the beginning of 2017, Commerzbank's Sustainable Finance Committee has been linking all areas at the Bank that specifically contribute to sustainable development. (please see the section entitled "Sustainable finance" for details).

Commerzbank has worked through a large share of the findings stemming from settlements with various US authorities regarding sanctions and money laundering violations. Moreover, the Bank has received various interim reports from the monitor appointed by the New York State Department of Financial Services (DFS), to which it has responded with corresponding implementation plans. The Bank has also made good progress in taking the steps outlined in the implementation plans and has worked through a large share of the measures. Furthermore, the Board of Managing Directors and management team stepped up their corporate culture communication efforts as part of a "culture of integrity" campaign, among other things.

The exchange of ideas and information with non-governmental organisations 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.

A total of seven Supervisory Board meetings were held in 2017. In addition, the employee representatives and the shareholders respectively met for an all-day strategy meeting. All of the regular meetings focused on the Bank's current business situation. The Bank's economic and financial development, risk position, strategy, planning, compliance issues and risk management system, as well as the internal control system and the situation of individual business areas, were all addressed in greater detail. Members of the Supervisory Board were also informed of the progress regarding efforts to cooperate with the US monitor. Moreover, the Supervisory Board scrutinised cum/ex trades, dealt with personnel changes on the Board of Managing Directors and addressed Commerzbank's new strategy. Details about particular meetings can be found in the [Annual Report 2017](#) (pp. 7–8).

6. Reporting practice

Nr.	Disclosure	UNGC	SDG
102-45	<p>Entities included in the consolidated financial statements</p> <p>This GRI report refers to Commerzbank AG (Germany and abroad). Exceptions are marked as such. The financial performance indicators are compiled at Group level and taken from Commerzbank's Annual Report 2017. For a list of all entities included in the scope of consolidation, please see pp. 260–264 and 278–280 in that report.</p>		
102-46	<p>Defining report content and topic Boundaries</p> <p>At the end of 2015, Commerzbank identified those issues that are material to the company both today and in future as part of a multi-step materiality analysis. Thirteen sustainability issues were evaluated from an external and internal perspective in terms of their relevance and contribution to the Bank's long-term business success and sustainable development. We proceeded as follows:</p> <ul style="list-style-type: none"> • To identify the sustainability issues, we analysed studies, standards and ratings of importance to the company and the sector and came up with 13 sustainability issues on this basis. • The 13 sustainability issues as well as the method we used to conduct the materiality analysis were subsequently coordinated at an in-house workshop and approved. • We determined the external relevance of the issues through an internet-based media analysis for the period from November 2014 to October 2015. To confirm the findings of this analysis and orient them towards the future, we also surveyed external stakeholders as part of an online evaluation on the future relevance of the 13 sustainability issues. • The internal prioritisation process was completed at a workshop with managers from the various divisions. They evaluated the potential impact of sustainability activities on the following business-critical aspects: strengthening the image and brand, strengthening employee motivation, reducing costs and risks, customer acquisition 		

and loyalty.

- The materiality matrix created from the results of this workshop was discussed with the managers and subsequently adopted as the valid representation of the material sustainability issues of Commerzbank.
- Based on the findings of the materiality analysis, we decided on which of the less relevant issues to exclude from the report.
- In the final step, we assigned the respective GRI aspects to the relevant issues and assessed whether the largest potential for making an impact was internal or external.

In the run-up to the creation of the non-financial report 2017, the materiality analysis was investigated to determine the topics on which the business activities of Commerzbank have a significant impact. The review did not reveal any new material topics. The next revision of the materiality analysis is scheduled for the second half of 2018.

[Commerzbank's materiality matrix](#) (PDF, 43 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, 35 kB)

102-48 Restatements of information

This report adheres for the first time to the provisions set forth in the GRI Standards (2016). 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

This report adheres for the first time to the provisions set forth in the GRI Standards (2016). For the resulting changes in the classification of material topics, please see 102-47.

102-50 Reporting period

All figures in this GRI report relate to the period from 1 January 2017 to 31 December 2017. Information outside this reporting period is marked with the respective date. The editorial deadline was 31 May 2018.

102-51 Date of most recent report

The last GRI report appeared in July 2017 with information relating to the reporting period 2016. Commerzbank also released the Corporate Responsibility Magazine 2017 (PDF, 4.2 MB) with additional information.

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

The GRI report has been compiled in accordance with the Core option of the GRI Standards.

102-55 GRI content index

The present GRI report also constitutes the GRI content index and was compiled in accordance with the GRI Standards (2016) published by the Global Reporting Initiative (GRI). The specific sector-related disclosures for financial service providers were also taken into account in the section entitled "Sustainable finance" when selecting topics

102-56 External verification of the report

The consumption data, the data collection mode and the calculation of CO2 emissions for Commerzbank AG Germany have been externally verified by the company 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 2017, the unverified 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****201 Economic performance**

Nr.	Disclosure	UNGC	SDG
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>The banking business has undergone fundamental changes due to the current low interest rate environment, legal requirements and digitalisation, as have the ways in which customers want to conduct their banking transactions. Commerzbank is rising to these major challenges with the Commerzbank 4.0 strategic realignment. The new strategy concentrates on focused growth, digitalisation and efficiency. The Bank will concentrate systematically on its core businesses and digitalise 80% of relevant processes, thereby achieving significant efficiency gains and increasing its profitability by the end of 2020. Its business will be focused on two customer segments, Private and Small-Business Customers and Corporate Clients. The run-off segment Asset & Capital Recovery (ACR) comprises – besides the Public Finance business – all non-strategic activities of commercial real estate and ship financing. Each segment is managed by a member of the Board of Managing Directors. Commerzbank publishes details of the strategy on its website.</p> <p>Higher profitability in the long term and enhanced competitiveness are essential to Commerzbank's future viability. Job cuts are unavoidable in this</p>	7	

context. Commerzbank's Board of Managing Directors is working closely with employee representatives with the aim of avoiding involuntary redundancies to the greatest extent possible. Details are available in the [non-financial report 2017](#) in the section entitled "Treatment of employees".

Commerzbank firmly believes that long-term economic success is also dependent on the careful use of natural resources and a healthy social environment. We therefore strive for development that is economically, environmentally and socially sustainable. We want to take advantage of every opportunity to avoid risks to our business and seize the potential to steer the business in a future-proof direction.

201-1 Direct economic value generated and distributed

2,
8, 9

The Commerzbank Group's operating profit for 2017 came to 1,303 million euros (2016: 1,399 million euros). Consolidated profit attributable to Commerzbank shareholders for the period under review stood at 156 million euros (2016: 279 million euros). Tax expense for 2017 totalled 245 million euros, compared to 261 million euros the previous year. At 7,079 million euros, administrative expenses in the period under review were down very slightly year on year. Personnel expenses, at 3,600 million euros, decreased 3.3% compared to 2016, which was due in particular to job cuts. A detailed income statement is provided in the [Annual Report 2017](#) (p. 139).

Investments in the community are also made through the Bank's various foundations. The Commerzbank Foundation supports central institutions and exemplary scientific, cultural and social projects throughout Germany. The Jürgen Ponto Foundation is dedicated to supporting the next generation of artistic talent in Germany in the fields of music, the fine and performing arts, and literature. Commerzbank also operates six charitable foundations that provide financial support to employees of the Bank who are in distress through no fault of their own. The endowment capital of each and their financial assistance are shown in the following tables.

[Sponsorship volume of foundations supported by Commerzbank](#) (PDF, 33 kB)

[Endowment capital of foundations supported by Commerzbank](#) (PDF, 33 kB)

In 2017, the foundations received a total of 1,17 million euros in support from Commerzbank for staff, workplaces and other material costs. Furthermore, the Bank made donations in the amount of 432,000 euros in the past financial year.

201-2 Financial implications and other risks and opportunities due to climate change

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The risks resulting from climate change form an integral part of Commerzbank's risk strategy and overall risk management. The risk management system includes climate change issues in its analysis and assessment of country- and sector-specific risks. Environmental risks are also assessed and evaluated using a qualitative approach as part of reputational risk management.

We seize the opportunities arising from the energy transition and climate protection in our core business by financing renewable energies, assisting with green bonds, brokering sustainable investments and supporting our customers in managing CO2 emission allowances (please see the section entitled "Sustainable finance" for details).

At the same time, Commerzbank strives to continue further reducing its own ecological footprint. We have already managed to cut our CO2 emissions by

67.8% since 2007. Since 2015, we have offset unavoidable CO2 emissions by investing in environmental projects financed through high-quality CO2 certificates. Commerzbank's operations are therefore climate neutral (see 305/103). Additional details on climate neutrality and criteria for selecting projects as well as decommissioning certificates for previous certificate purchases in 2017 are available on the [sustainability website](#).

203 Indirect economic impacts

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>As an integral part of society, Commerzbank sees its task also in helping to positively shape its environment. The Bank primarily lives up to this responsibility through its role as an employer and taxpayer and through the positive impact of its financial services on the economy. The range of high-quality financial services that we offer to people throughout Germany is something that we also consider to be an important contribution by the Bank to the country's infrastructure. With approximately 1,000 branches across the country, we have one of the densest branch networks of all private banks in Germany. Commerzbank does not intend to reduce its presence on the ground. On the contrary, our branches remain an important part of our growth strategy. At the same time, interaction with our digital services is becoming ever more important. Since October 2016, we have been working in the branch business with the multichannel platform ONE, which has been standardised for customers and advisors, and has been available 24/7 via our customer service centre, as well as through mobile and online banking.</p> <p>To make Commerzbank offers available to all social groups, we place great emphasis on designing our branches to be fully accessible. Currently, some 66% of our branches ensure barrier-free accessibility. In future, we will consider optimal access for all groups of users when refurbishing branches and installing automatic teller machines. Personal consultation in sign language has been a part of Commerzbank's services for many years. Since 2017, all Commerzbank automatic teller machines have also been fitted with a "read out" function for visually impaired clients.</p> <p>The Bank has set itself targets for even greater financial inclusion in its Sustainability Programme, including 100% coverage with talking ATMs at Commerzbank branches (achieved in 2017) and our plans to ensure that 70% of our clients are still within 10 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.</p>		
203-1	<p>Infrastructure investments and services supported</p> <p>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 get involved in 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. In total, more than</p>		<p><u>2,</u> <u>9,</u> <u>11</u></p>

750 Commerzbank employees were active in 2017. Staff can make a difference as part of a wide range of projects.

One example of the options available is Commerzbank's education mentor programme. Established in 2013, it focuses on young people who find it difficult to complete their basic education, are unable to find an apprenticeship or are in danger of breaking off their training. In 2017, the programme was available in ten German states, and 55 new participants took part in it. In May 2016, Commerzbank also pledged to support the Joblinge organisation for three years in developing Kompass, a nationwide programme specifically geared towards the needs of refugees which focuses on their integration into the primary labour market. We encourage our employees to support the programme on a voluntary basis as a language coach or mentor. They are excused from work with pay to receive the necessary qualifications for these roles.

As part of our efforts on behalf of the common good, more than 330 Commerzbank employees took part in the Malteser Social Day in 2017, supporting 32 social projects in 12 towns and cities throughout Germany. Many of these charitable projects provided support for disabled people, senior citizens and refugees. Commerzbank employees also pitched in with the renovation and other design efforts 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 for the participation fee.

In 2017, employees of Commerzbank AG and Commerz Real also had the opportunity to participate for the first time in the loose change initiative, as it is known, which rounds pay down to the next full euro amount and donates the difference. The 3,700 employees involved in the first year donated a good 18,000 euros to benefit social organisations.

Commerzbank aims to make a contribution towards general financial education, especially at school level, and supports the business@school project, among others. This Boston Consulting Group education initiative seeks to present business issues in a vivid and practical way. It gives sixth-form students the opportunity to deal with business and economics in greater depth over the course of a year. In the 2017/2018 school year, 33 Commerzbank employees volunteered as school advisors. Senior managers also take part voluntarily as judges for the regional heats and European final.

The DFB Junior Coach partnership offers an additional opportunity for personal involvement. While the Deutscher Fußball-Bund (DFB, the German Football Association) trains young people at schools to work as junior coaches, Commerzbank mentors provide support by helping them prepare for working life, organising job application workshops and assisting them in finding internships at Commerzbank branches. For decades, Commerzbank has been committed to sponsoring popular sport, where the focus extends beyond just athletic competition to bonding with teammates and competitors across ethnic, religious and social boundaries. The Green Band initiative, for example, has been in existence for over 30 years. Together with the German Olympic Sports Confederation, 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 1,800 sport clubs have benefited from the initiative. The Bank also supports

activities related to football, which is by far the most popular type of sport in Germany across all social classes.

Since as early as 1990, Commerzbank has been offering an environmental internship to students with an interest in this area. Every year, up to 75 students from various departments now complete an internship of several months' duration in one of 27 German national parks, nature or biosphere reserves. The Bank provides financial resources and administrative services. Since the idea emerged 28 years ago, the project, which has received a number of awards, has enabled nearly 1,600 interns to complete an open-air semester.

For more information about Commerzbank's commitment to society, please see the Corporate Responsibility Magazine 2017 (PDF, 4.2 MB) (p. 28 et seq.) and the Annual Report 2017 (p. 47 et seq.).

For Commerzbank, its commitment to foundations constitutes a further, material part of its corporate responsibility. 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. 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.
- Since 1977, the legally independent Jürgen Ponto Foundation has been supporting the next generation of artists in Germany as they set out on their careers in the areas of music, the visual arts, literature and the performing arts. In addition to scholarships for gifted young musicians, it also organises the Jürgen Ponto Foundation music prize, which is awarded to young string quartets every two years. Over its 40-year history, the Jürgen Ponto Foundation has also been active in providing support to a wide range of cultural activities.
- Commerzbank's commitment to foundations is rounded off by the work of the six charitable foundations that provide financial support to employees and retired members of the Bank who are in distress through no fault of their own. 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.

205 Anti-corruption

Nr.	Disclosure	UNGC	SDG
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>As a fair market participant, Commerzbank is committed to fighting bribery and corruption. In addition to existing legal obligations such as the UK Bribery Act or the US Foreign Corrupt Practices Act, we 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. Moreover, we have undertaken to adhere to the ten</p>	10	

principles formulated in the UN Global Compact – including combating corruption.

These external standards are supplemented with internal guidelines. Together they form the framework for Compliance Management for combating corruption. This includes binding codes of conduct that provide a framework for correct and ethically appropriate conduct in the day-to-day working environment. Furthermore, the Commerzbank Board of Managing Directors has published the Global Anti-Bribery and Corruption Policy (ABC Policy), which applies throughout the Group and clarifies and supplements the existing rules and processes – for example on gift-giving or conflicts of interest. Commerzbank's ABC Policy seeks to combat bribery, undue preferential treatment and other forms of corruption: It applies both within and outside the Group and in dealings with trade organisations, public officials and anyone who has a relationship with the Bank.

Commerzbank has introduced central prevention systems in order to identify, monitor, mitigate and ultimately avoid bribery and corruption risks and thus ensure compliance with the ABC Policy. These systems comprise risk analysis, training, mandatory time away, compliance checks, the Global Code of Conduct (revised in 2017), internal controls and the evaluation of their effectiveness, the business keeper monitoring whistle-blowing system and reliability checks of potential employees.

All newly signed contracts between Commerzbank AG, business partners and service providers contain a binding integrity clause. Business partners and service providers of Commerzbank AG are analysed for any indications of corruption in commercial databases as part of the due diligence process and may continue to be reviewed after the business relationship has been initiated.

205-1	Operations assessed for risks related to corruption Potential compliance risks are evaluated and mitigated on the basis of risk analysis. It is carried out Group-wide once a year and applies to all Group companies, branches and companies otherwise affiliated in Germany and abroad that are deemed to be relevant for compliance purposes. The analysis includes a dedicated section on corruption and assesses the relevant risks and control activities carried out by these entities. The Bank regularly reviews the prevention measures implemented as a result of the risk analysis and supplements them as needed.	10	<u>16</u>
205-2	Communication and training about anti-corruption policies and procedures The compliance training programme that all employees have to complete every year – from managers to new hires just starting their careers – is one of the cornerstones of corruption prevention. The web-based training draws employees' attention to compliance issues and raises their risk awareness. A dedicated programme that must be completed by all employees and external contractors at the same intervals has been developed for anti-corruption training. More than 40,000 employees of the Commerzbank Group regularly receive such training on issues such as fraud and corruption prevention.	10	<u>16</u>
205-3	Confirmed incidents of corruption and actions taken Corruption or other criminal action by staff is 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 employment, civil and criminal law. We are not aware of any cases of corruption in the Commerzbank Group in 2017.	10	<u>16</u>

2. Environment

301 Materials

Nr.	Disclosure	UNGC	SDG
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>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 areas of action on which our sustainability management activities focus (see Corporate Responsibility Magazine 2017 (PDF, 4.2 MB) , p. 33). 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 management system in 2017. Our focus was on materials (paper), energy, water, emissions, effluents, waste 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 policy is applicable to all business activities of the Bank. As part of the Group Operating Committee, the Group Environmental Committee – with Frank Annuscheit, member of the Commerzbank Board of Managing Directors, as its chairman – regularly defines and adopts standards and strategies for environmental protection regarding the Bank's operations. All divisions, including sales units, are represented on the committee. In its environmental guidelines, Commerzbank has defined and published clear rules for conducting business in an environmentally responsible way.</p> <p>Commerzbank and 15 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 2017, the system covered 92% 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.</p> <p>Due to the joint use of certain individual properties by employees of Commerzbank AG Germany and Commerzbank subsidiaries, part of these subsidiaries' data was also included in the environmental data of Commerzbank AG in Germany. This data was separated out in 2016 for the first time, thereby further improving data quality. The data of Commerzbank AG abroad has also been included since 2016. 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 this respect, 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 was not available. An external verification has therefore not been performed yet.</p>	7, 8	

We continue to work on improving data quality for foreign branches as well.

The standard used for purchasing copying paper at Commerzbank stipulates that pure white paper, which we use for external documents, especially in customer communications, should correspond to the standard of the Programme for the Endorsement of Forest Certification Schemes (PEFC). Recycled paper with the Blue Angel eco-label should be used for in-house purposes. Paper purchasing is not the only field where Commerzbank focuses on recycling. Since 2016, the Forest Stewardship Council (FSC)-certified paper towels from the washrooms have also been recycled. Following a successful pilot at the Bank's headquarters, the recycling project has been expanded to 15 office buildings at Commerzbank. The targets in the section of the [Sustainability Programme](#) entitled "Environment: Customer communication" are relevant for our use of materials.

301-1 Materials used by weight or volume

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The quantity of paper consumed as reported for Commerzbank AG in Germany rose year on year by 10.8% in 2017 due to a significant increase in external printed matter (+78.3%) that was fuelled by the regulatory requirements stemming from the payment services directive (PSD 2) and the Markets in Financial Instruments Directive II (MiFID II). Commerzbank aims to combine these efforts with other activities so as to create synergies with regard to shipping and mailing. In this context, the amount of virgin fibre paper increased by around 13.5%, whereas the share of recycled paper fell from 11.8% to 9.9%. By contrast, it was possible to reduce the consumption of copying paper by 13.7% as a result of the new workplace model "New Work" and the continued digitalisation of banking processes. Thanks to the discontinuation of receipt printing and the increasing use of the online inbox, 11.9% less paper was needed for bank statement printers. The recycling of paper towels once again helped save around 72 tonnes of paper in 2017.

[Paper and toner consumption at Commerzbank AG \(PDF, 35 kB\)](#)

301-2 Recycled input materials used

See 301-1.

302 Energy

Nr.	Disclosure	UNGC	SDG
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 301 also applies to 302. To achieve the target as part of our climate strategy (see 305/103), we focus on a wide range of measures in fields such as energy use. 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 of origin 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. One of the sustainability targets in the area of the "Environment: Energy and emissions" is an 8% reduction of energy consumption by 2020 compared to the baseline year of 2014 (417.32 MWh). This target was already significantly exceeded in 2017 thanks to a decline of 13.19% to 362.27 MWh.</p>	7-9	

Commerzbank and 14 other Frankfurt-based companies have joined Initiative Energieeffizienz-Netzwerke, an initiative spearheaded by the German government and industry associations to create energy efficiency networks. In addition to the implementation of energy-saving measures, this project focuses on encouraging an intensive exchange of experiences among companies, supported by independent energy consultants.

302-1	Energy consumption within the organization	7, 8	<u>7</u> , <u>12</u> , <u>13</u>
<p>At Commerzbank AG in Germany, approximately 64% of heat energy is obtained from natural gas. Outside Germany, more than 86% of heat energy is generated with natural gas. Individual locations in Asia where heat is supplied through the air conditioning system are exceptions to this. Oil heating appliances are gradually being replaced by more environmentally friendly systems and now account for only a very low percentage of our total energy consumption. In Germany, heating oil as a source of heat energy stands at 1.7% and at 2.1% for locations abroad.</p> <p>Electricity consumption decreased significantly at Commerzbank AG Germany, which is due largely to scaling down the Bank's physical footprint and the optimisation of IT infrastructure. The Bank once again achieved a considerable reduction in district heat in 2017. Commerzbank's total indirect energy consumption fell by 10.1% year on year.</p> <p>Direct energy consumption at Commerzbank AG (PDF, 36 kB) Energy consumption (electricity and district heating) by Commerzbank AG (PDF, 36 kB)</p>			
302-4	Reduction of energy consumption	8, 9	<u>7</u> , <u>12</u> , <u>13</u>
<p>Energy consumption at Commerzbank AG in Germany decreased by around 9.8% in 2017. Measures related to the energy management system – such as the optimisation of air conditioning systems, hours of operation and IT infrastructure – made a significant contribution to this development.</p>			

303 Water

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3) The overarching approach to environmental and energy management regarding the Bank's operations under 301 also applies to 303. The Bank performs monthly checks of consumption quantities at all larger locations. The installation of flow limiters helped lower water consumption at Commerzbank's headquarters on Kaiserplatz in Frankfurt in 2017.</p>	7, 8	
303-1	<p>Water withdrawal by source Commerzbank uses almost exclusively drinking water in its buildings. Water consumption totalled 474,232 m³ in 2017 (2016: 515,890 m³). The 8.1% decline was due primarily to a decrease in the number of properties used.</p> <p>Water withdrawal by source (PDF, 35 kB)</p>	7, 8	<u>6</u>

305 Emissions

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3) The overarching approach to environmental and energy management regarding the Bank's operations under 301 also applies to 305. As part of</p>	7-9	

our climate strategy, we have made a commitment to reduce Commerzbank AG's CO2 emissions in Germany by a total of 70% by 2020 compared with the base year of 2007. We have been implementing a variety of measures, in particular in terms of energy use and mobility, to achieve this target. This is primarily a question of avoiding greenhouse gas emissions or, in cases where this is not possible, of reducing them systematically. These efforts resulted in a 67.8% reduction in CO2 emissions in 2017 compared to 2007. 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.

A systematic analysis of the sources of emissions as well as 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 ways 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 alternatives such as video and telephone conferencing. This approach is making progress thanks to a project currently under way which targets 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. Since 2014, efforts have been under way to successively replace existing pool vehicles with significantly more efficient ones with lower CO2 emissions and to reduce average CO2 emissions to below 100 grams of CO2 per kilometre in future. 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. The number of employee trips by rail and the rate of BahnCard usage by employees have been steadily rising in recent years. Business trips within Germany by rail are powered by 100% green electricity, making an additional contribution to environmental and climate protection.

Mobility-related targets can be found in the Sustainability Programme under "Environment: Mobility".

305-1 Direct (Scope 1) GHG emissions

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). 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

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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 2017, Commerzbank AG in Germany managed to reduce its CO₂ emissions year on year by around 2,666 tonnes, or 2.2%. The emissions figure for district heat which was raised by more than 97% in the current version of the VfU emissions calculator continued to have a significant impact on the size of the carbon footprint. It mainly affected indirect CO₂ emissions from energy supply. These emissions rose from 6,940 tonnes of CO₂ in 2014 to 8,249 tonnes of CO₂ in 2017. The corresponding amount of energy consumed decreased by 24.3% during the same period, while CO₂ emissions increased by 18.9% due to the adjustment of the figure.

Travel by staff also has a significant impact on Commerzbank's carbon footprint, accounting for some 25.5% of our greenhouse gas emissions at Commerzbank AG in Germany in 2017. Around 60.6% of all business travel at Commerzbank AG in Germany and 52.7% of business travel at Commerzbank AG as a whole was done by car.

[Direct and indirect greenhouse gas emissions](#) (PDF, 42 kB)

[Carbon footprint at Commerzbank AG by scope](#) (PDF, 93 kB)

[Business travel at Commerzbank AG](#) (PDF, 36 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

[Greenhouse gas emissions intensity](#) (PDF, 36 kB)

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305-5 Reduction of GHG emissions

With a 67.8% reduction in CO₂ by the end of 2017, Commerzbank has already almost completely 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). 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).

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[Reduction of CO₂ emissions 2008-2017](#) (PDF, 92 kB)

In 2017, the average CO₂ emissions of newly ordered company vehicles to be leased amounted to 118 grams per kilometre (2016: 118 grams per kilometre; 2015: 121 grams per kilometre). Compared to 2016, average CO₂ emissions for diesel pool vehicles at Commerzbank decreased by 1.9% to 102 grams per kilometre in 2017. At 96 grams per kilometre, the figure for petrol vehicles remained at the same low level as the previous year. The Bank reduced its fleet of pool vehicles to 322 vehicles by the end of 2017 (2016: 363), which corresponds to a decrease of 11.3%.

306 Effluents and waste

Nr.	Disclosure	UNGC	SDG
103	Management approach (including 103-1, 103-2, 103-3) The overarching approach to environmental and energy management regarding the Bank's operations under 301 also applies to 306. The topic of effluents is not material to our banking operations, as they do not generate effluent pollution.	7, 8	
306-2	Waste by type and disposal method Waste resulting from our business activities has a major impact on our environmental footprint. In 2017, approximately 93% of the waste generated by Commerzbank was reused and/or recycled. Paper used in banking operations accounted for almost 58.7% of the total amount of waste generated, and for as much as 61.8% with regard to banking operations in Germany. The sharp drop in hazardous waste in 2017 was due to a number of factors, including the disposal of a large quantity of e-scrap and a one-time campaign to dispose of air filter pads in the previous year. Waste at Commerzbank AG by category (PDF, 36 kB) Waste at Commerzbank AG by type of disposal (PDF, 36 kB)	8	<u>3</u> , <u>12</u>

308 Environmental compliance

Nr.	Disclosure	UNGC	SDG
103	Management approach (including 103-1, 103-2, 103-3) The overarching approach to environmental and energy management regarding the Bank's operations under 301 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, please 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>

308 Supplier environmental assessment

Nr.	Disclosure	UNGC	SDG
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: <ul style="list-style-type: none"> Commerzbank's Code of Conduct includes the binding provision that the Bank expects its business partners to respect human and personal 	7, 8	

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 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	Percentage of new suppliers that were screened using labor practices criteria	8
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Providing sustainability-relevant information is an integral part of the standard tender procedure. For quality assurance purposes, we distribute electronic self-disclosure forms for suppliers, which include questions relating to sustainability criteria.

3. Social

401 Employment

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>The basis for long-term corporate success is dealing with employees fairly and as partners. For Commerzbank, this also means that we focus on training and motivating staff in the course of our HR work. We want to offer them an environment where they enjoy working and can do so successfully, allowing them to contribute to the company's long-term success. Dr Bettina Orlopp's Board portfolio Compliance, Human Resources and Legal is responsible for Commerzbank's HR work, which is implemented in day-to-day operations by Group Human Resources. The guidelines for HR work include the Commerzbank 4.0 Group strategy, the Group HR management strategy and the staff-related targets in the <u>Sustainability Programme</u>. In the interest of an approach based on partnership, Commerzbank regularly surveys its employees, which enables us to recognise their needs and integrate them into the company's development. The focus in 2017 was on studies involving executives and senior staff on digitalisation and the Commerzbank 4.0 strategy.</p> <p>The Commerzbank 4.0 strategy calls for the systematic realignment of the Bank (for more information, please see the <u>Annual Report 2017</u>, pp. 46 and 55 et seq.). HR work plays a key role in the successful implementation of the business model. While not the aim, headcount reduction is an unavoidable outcome of this transformation to Commerzbank 4.0. By 2020,</p>	6	

some 7,300 jobs will be cut across all divisions and levels of hierarchy. Commerzbank is going beyond the statutory requirements to ensure that the headcount reduction takes place in a socially responsible manner. In 2017, the Bank reached 32 different agreements on the partial reconciliation of interests in close cooperation with the employee representative bodies, which covered a range of HR instruments to ensure a socially responsible redundancy programme. These include termination contracts with severance pay plus special arrangements for employees over age 56, new placement offers, early retirement, part-time working for older employees, assistance for employees changing their place of work, individual reductions in working time and unpaid sabbaticals. Commerzbank generally engages in regular and constructive dialogue conducted in a spirit of partnership with employee representatives on all co-determination-related issues. 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>5</u> , <u>8</u>
<p>The rate of employee turnover in the year under review was 4.6%. This amounts to a year-on-year increase of 0.9%. The average length of service of employees with Commerzbank AG in Germany is around 21 years; 18% have worked for the Bank for up to 9 years, 30% for between 10 and 19 years, and 52% for 20 years or more.</p> <p>Employee turnover by age, gender, region and reason for leaving (PDF, 35 kB) New hires by age, gender and region (PDF, 35 kB)</p>			

403 Occupational health and safety

Nr.	Disclosure	UNGC	SDG
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>Occupational health and safety and promoting good health are focal points of our HR work, as they can potentially have a tremendous impact on employees. Since 2013, we have been continuously expanding our occupational health, safety and prevention efforts through a circular model to assess risks. Our aim is to systematically identify, prevent and reduce physical and psychological stress factors in the workplace. We provide various services and measures relating to nutrition, stress management, addiction prevention and exercise. External psychologists and social workers support employees and managers with difficulties in their personal and professional lives as part of the Employee Assistance Programme. In 2013, Commerzbank's health management system was the first to be TÜV-Süd certified throughout Germany in accordance with the Corporate Health Standard. This recognises Commerzbank's systematic and sustainable approach to maintaining the health of its employees.</p> <p>Health-and-safety-related targets can be found in the Sustainability Programme under "Employees: Health and Safety".</p>	1,	6
403-1	<p>Percentage of total workforce represented in health and safety committees</p> <p>All of Commerzbank's employees are represented on the health and safety committee. A central health and safety committee covering Commerzbank Group Germany is based in Frankfurt am Main; it is responsible for the head office, branches and subsidiaries. The responsibilities and the composition of this committee are specified by the German Health & Safety at Work Act (Arbeitssicherheitsgesetz). All groups and divisions have representatives on</p>		

the health and safety committee and work together in a spirit of partnership. Furthermore, additional health and safety committees have been established at the larger Group companies, where they specifically address the particular circumstances of the respective entities.

There has also been an Employee Council on Health since 2010, which comprises 45 employees from Commerzbank AG. They discuss key health issues with the member of the Board of Managing Directors responsible for HR and the chairman of the central works council. A new council is appointed every four years through a Bank-wide call for applications and a subsequent selection process.

403-2 Injuries, occupational diseases, lost days, and work-related fatalities

The rate of absence due to illness at Commerzbank AG Germany amounted to 4.7 per cent in 2017, which does not include persons on long-term sick leave. The rate of reportable workplace and commuting accidents at Commerzbank in Germany was 5.6 per 1,000 employees in 2017 (2016: 6.4) and was again at a low level below the target levels specified by the employers' liability insurance association. There were no fatalities due to accidents in the reporting year.

[Number of workplace accidents by region and gender \(PDF, 35 kB\)](#)

403-4 Health and safety topics covered in formal agreements with trade unions

A number of works agreements on the issues of fairness at the workplace, addiction prevention, corporate return-to-work management and workstations govern work practices aimed at promoting employee health at the Bank. Commerzbank has had a works agreement in place since 2013 to assess risks. The findings provide the basis for developing and implementing relevant measures together with employees and managers. In cooperation with employee representatives, all existing aspects of the risk assessment underwent a comprehensive review process in 2016. As a result, the questionnaire was optimised and a new system for classifying reports was introduced that contributes to more targeted processing by managers. A team of specialists was also set up to provide support on all topics as part of the risk assessment procedure. Its aim is to further improve the quality of findings while speeding up processing.

404 Training and education

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>To retain employees 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 trainees and extends to support for university graduates in attaining their initial target positions and personnel development for specialist staff, managers and project managers.</p> <p>Through the Competence Dialogue, we ensure uniform Bank-wide standards for training and development. The process requires employees to first self-assess their own technical and personal skills. The manager subsequently gives an opinion on the employee's skills. This creates the basis for a regular dialogue and enables employees to actively shape their professional futures</p>	6	

together with their manager. Following the direct supervisor's initial evaluation and any interim meetings, an HR portfolio review is conducted to validate and objectivise the assessment of the employee's skills and expertise and to advise the manager on further development and qualification measures. In the year under review, HR advisory units supported various portfolio reviews to ensure the sustainability of this management approach.

Commerzbank also uses a range of other HR management tools, such as target and performance assessments, performance evaluations and agreements on targets. These tools are a means of gauging how an employee is doing and serve to determine wages as part 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.

Training and education targets can be found in the [Sustainability Programme](#) under "Employees: Training and development".

404-	Average hours of training	6	<u>5, 8</u>
1	<p>In 2017, 2,784 on-site seminars were conducted over 47,982 attendee days. Including media for learning on one's own, we invested a total of 648,583 hours in training and educating Commerzbank AG Germany employees. The average number of hours per employee and year therefore amounted to 19,34 hours in the reporting year. We do not report the hours itemised by employee category. This type of data is not available because it is not relevant to the management of professional education at Commerzbank. Professional education at Commerzbank is offered based on needs and demand.</p> <p>Average number of hours spent on training and development per employee and by gender (PDF, 35 kB)</p> <p>Of the 30,876 people employed by Commerzbank AG in Germany as at 31 December 2017, 701 were in vocational training (544 were apprentices and 157 were students of dual degree programmes). In the reporting period, we hired 270 apprentices and students pursuing integrated work/study courses. They are completing apprenticeships in banking or earning a bachelor's degree. During the year under review, we hired 276 of the apprentices and students of dual degree programmes (62 per cent) who applied after they had finished their training, offering them promising career opportunities at the Bank. As at 31 December 2017, the Bank also employed another 97 people as trainees and 350 students who belonged to the Commerzbank study group. In 2017, 84 people completed internships at Commerzbank as part of their studies.</p> <p>Apprenticeship at Commerzbank AG Germany (PDF, 35 kB)</p>		
404-	Programmes for upgrading employee skills and transition assistance programmes		<u>8</u>
2	<p>We pool all offerings under the Commerzbank Academy and facilitate lifelong occupational learning. Employees are encouraged to more actively shape their further personal and professional development and, together with their superiors, take the reins to make this a reality. The Academy offers some 1,500 courses, ranging from basic knowledge for newcomers all the way to highly specialised training for employees in all departments and divisions. Three equal career paths with clearly structured qualification and development opportunities are available to employees: the paths to becoming a specialist, a manager or a project officer. A project dealing with the introduction of an international qualification platform was launched in the</p>		

third quarter of 2017. The platform will be successively rolled out in 2018.

404-3	Percentage of employees receiving regular performance and career development reviews	6	<u>5, 8</u>
<p>Career development is structured at Commerzbank by way of the Competence Dialogue (see 404/103), which is conducted every two years. The last Competence Dialogue was performed in 2016 and saw a participation rate of 98% (around 28,300 employees). Our reporting on the number and percentage is not broken down by employee category and gender. This type of data is not available because it is not relevant to the management of professional education at Commerzbank. No Competence Dialogue was held in the year under review. Bonus payments to employees not covered by collective bargaining agreements are based on an annual target and performance assessment. Employees are entitled to a performance evaluation in the event of a transfer, change of supervisor or departure from the Bank, or if employees and supervisors file a special request.</p>			

405 Diversity and equal opportunity

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>Diversity and inclusiveness are key principles at Commerzbank. The Global Diversity Council is the central strategic entity. The involvement of all divisions and support from regional councils makes it possible to take country-specific needs and differences into account. In 2016, "Employees with disabilities" joined the existing areas of action: "Work/life balance", "Women in the Bank", "Fathers", "Sexual orientation", "Generational concerns", "Cultural diversity" and "Employee networks". A representative council for employees with severe disabilities is dedicated to ensuring that people with and without disabilities are treated as equals at Commerzbank. In addition to practical support and technical changes in the workplace, our employees are made more aware of dealing with disabilities and illness on a day-to-day basis.</p> <p>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 one position is divided between two part-time employees. The percentage of part-time employees has risen constantly in recent years, from 20.95% at the end of 2011 to 27.87% at the end of 2017.</p> <p>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 career breaks. Staff also have various opportunities to make working hours more flexible. In 2017, some 100 employees took a sabbatical.</p> <p>We also provide company-sponsored childcare and extensive support for those employees caring for relatives. This is based on our innovative care-related works agreement, which was concluded for the entire Bank in 2015. 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.</p>	1, 6	

Commerzbank's emergency and holiday care was used by a total of 952 children on 4,558 days in 2017, significantly easing the burden on parents during strikes at the municipal childcare centres they otherwise use, for example. For each child, the Bank covers the cost of 25 days of emergency care per year.

The employee networks that again held presentations in workshops such as at the fifth Diversity Day in September 2017 are firmly established. Around 1,500 employees in total are involved with Arco (LGBT), Courage (women), Focus Fathers, Horizont (burnout), Kulturwerk, Cross Culture (intercultural) and Network Care. Two more networks – IDEAL, the network for employees with disabilities, and Ichthys, the Christian network – were added in 2017. These networks organise their own events and projects to raise awareness of their existence and what they do. They stand for a strong culture of integration and cooperation at Commerzbank. In addition to the in-house fathers' network, Commerzbank collaborated with Väter gGmbH to initiate a company-wide fathers' network at a number of locations, which organises talks, workshops and father-and-child weekends.

A study conducted on fathers by Väter gGmbH and Frankfurter Agentur für Innovation und Forschung on behalf of Commerzbank revealed, among other things, that men would like more family-friendly measures and offerings that are tailored to their needs. In response, a pilot workshop on family negotiation processes was launched in 2017. The workshop gives couples the opportunity to work with a coach to reach agreements on the division of responsibilities within the family, for example. The percentage of fathers at Commerzbank who take paternity leave stood at 19.2% in 2017 (2016: 17.2%). The average parental leave in 2017 was 8.9 months for women and 2.1 months for men.

One particular focus of Commerzbank's efforts for many years has been on the advancement of women in management positions (please see 405-1 for information on the measures). In implementing the German Federal Act on Gender Equality, the Board of Managing Directors had decided in early 2015 on a conservative target with a deadline of 30 June 2017 in order to ensure the company's freedom to act. As a result, the target for the first management tier stood at 8.6%. At 14.3%, we significantly exceeded this target as at 31 December 2017, thereby demonstrating that Commerzbank has continued to actively promote women in leadership positions, regardless of statutory requirements. In May 2017, the Board of Managing Directors adopted new targets. These targets aim to increase the percentage of women in leadership positions to 17.5% in the first management tier, to 20% in the second management tier and to 35% across all management levels of the Commerzbank Group by the end of 2021.

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

405-1 Diversity of governance bodies and employees

6

5

We succeeded in raising the percentage of women in leadership positions across all management levels at Commerzbank AG to 28.6% in 2017 (28.5% in 2016). Throughout the Group, the percentage stood at 30.7% in 2017 (2016: 29.8%). We are constantly continuing our efforts to achieve our goal of increasing the percentage of women in management positions. Measures to encourage this, both for new recruits and for women who

already work for the Bank, were further pursued according to plan in 2017. All bank segments have conducted at least one career day, for example. 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. The Management Experience programme offers staff the opportunity to try out being a manager or a project manager in temporarily vacant positions. Keep in Touch in particular has developed into a successful part-time option. A total of 232 employees took advantage of the programme in 2017. Please refer to the [Annual Report 2017](#) for information on the composition of the Board of Managing Directors and the Supervisory Board (pp. 5 and 14 et seq.; diversity policy, p. 24 et seq.).

[Commerzbank AG \(Germany\) workforce by age and gender](#) (PDF, 35 kB)
[Proportion of female employees by management level](#) (PDF, 35 kB)

In 2017, the Bank was legally obliged to provide 1,591 positions for severely disabled employees. With 1,738 positions being filled by persons with severe disabilities – which corresponds to 5.46% of total positions at Commerzbank AG in Germany – the Bank exceeded this requirement.

405-2	Ratio of basic salary and remuneration of women to men An overview of the salary structure at Commerzbank is best presented via pay-scale brackets, as individual salary details are protected as confidential information and there are corresponding restrictions on disclosing such information, including for statistical analysis by gender or other diversity criteria. The following graph shows a breakdown for Germany of the number of employees in each pay-scale bracket by gender:	6	<u>5</u> , <u>8</u> , <u>10</u>
	Salary structure at Commerzbank AG (Germany) (PDF, 35 kB)		

406 Non-discrimination

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	<p>Management approach (including 103-1, 103-2, 103-3) All forms of discrimination undermine human rights. Neither discrimination of employees nor harassment is tolerated at Commerzbank. This includes both verbal and physical attacks as well as sexual harassment or abuse of any kind. The mere threat of harassment or the creation of an intimidating atmosphere is unacceptable. Commerzbank guarantees its staff, customers and suppliers that it will react quickly and appropriately in the event of legitimate complaints.</p> <p>Staff have the freedom to use the 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 treatment at work contains comprehensive information and guidelines for managers and staff of 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</p>	6	

(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.

Diversity Management encourages support for diversity at the company through innovative measures, workshops and information events. Since 2016, another focal point has been the inclusion of employees with disabilities. We aim to go beyond merely meeting our obligation to employ a certain percentage of severely disabled people by creating better conditions for our employees with disabilities as well as for our customers.

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). 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.

406-1	Incidents of discrimination and corrective actions taken	6	<u>5</u> , <u>16</u>
	Employees who are found guilty of misconduct 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 was no such case in 2017. In 2017, there were a total of 25 contacts for the overarching issue of bullying, discrimination and sexual harassment, which corresponds to just under 1% of the approximately 2,791 total EAP contacts in 2017.		

407 Freedom of association and collective bargaining

Nr.	Disclosure	UNGC	SDG
103	Management approach (including 103-1, 103-2, 103-3) Commerzbank is committed to upholding the international labour standards of the International Labour Organization (ILO). The vast majority of Commerzbank Group employees work in member states of the European Union (approximately 96% as at the end of 2017). 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 bound by the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises. Commerzbank has also participated in the UN Global Compact (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	
407-1	Operations and suppliers identified in which the right to exercise freedom of association may be violated or at risk, and measures taken Employee/employer cooperation at Commerzbank is based on mutual respect and trust. Works agreements reached by the employer and employee representatives take account of the Bank's aims as well as the employees' wider needs. This will continue to apply in the future. The Bank is not aware	3	<u>8</u>

of any instances in which Commerzbank's business activities or units did not respect freedom of association or the right to collective bargaining. We also expect our suppliers to respect freedom of association and have included this in the sustainable procurement standard.

414 Supplier social assessment

Nr.	Disclosure	UNGC	SDG
103	Management approach (including 103-1, 103-2, 103-3) See 308-1.	2	
414-1	New suppliers that were screened using social criteria See 308-1.	2	16
414-2	Significant human rights impacts in the supply chain As part of supplier management, questions relating to sustainability are a criterion of the annual assessment of key suppliers. In the event of violations of the <u>sustainable procurement standard</u> , suppliers are specifically notified of the need for improvement. In the reporting year, no contracts with suppliers were terminated due to the failure to observe human rights or social standards.	2	

415 Public policy

Nr.	Disclosure	UNGC	SDG
103	Management approach (including 103-1, 103-2, 103-3) In the interest of its customers, and to facilitate long-term planning, Commerzbank also regularly holds 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. By working in partnership with politicians and associations, we help to responsibly shape the parameters that apply to banking. Public Affairs works closely with the members of the Board of Managing Directors to coordinate Commerzbank's political communication activities. The Bank maintains liaison offices in Berlin and Brussels. Commerzbank has been listed in the <u>EU's transparency register</u> since 2010 and reports on activities, active persons and annual contributions as part of its political opinion-forming efforts. The relevant targets can be found in the <u>Sustainability Programme</u> under "Participation in public policy development". Commerzbank is rising to its increasing political responsibility by focusing on the development of its Public Affairs department and by connecting the liaison offices with the closely related Issue Management department in Frankfurt and the Commerzbank employee at the Institute of International Finance (IIF) in Washington. 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.	10	
415-1	Political contributions In accordance with its donation policy, Commerzbank does not give any	10	<u>16</u>

money to political parties, affiliated institutions or politicians.

417 Marketing and labelling

Nr.	Disclosure	UNGC	SDG
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>Commerzbank provides its customers with complete and accurate information about the opportunities and risks of financial products. It thereby fulfils all regulatory requirements in the securities business. We also draft suitability reports as part of our advisors' meetings with customers. The customer is able to follow all of the steps in the advisory process on the computer screen and take printouts home. Our CobaHyp application offers supplier-independent information on real estate finance. As part of this service, we use a vast database to compare the conditions offered by some 250 banks. By also giving customers the option of getting information on competitors' products directly with us, we offer more than just market transparency. Commerzbank's sustainable quality standards, such as the consideration of the customer's individual situation and wishes as well as in-depth meetings to provide explanation and information, have already been confirmed by various independent tests.</p>	7	
417-1	<p>Requirements for product and service information and labelling</p> <p>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 (PIS), key information document (KID) and key investor information (KII).</p>		<u>12</u>

418 Customer privacy

Nr.	Disclosure	UNGC	SDG
103	<p>Management approach (including 103-1, 103-2, 103-3)</p> <p>Commerzbank 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 personal data is also a top priority. The divisional head of GS-OS Physical Security & Data Protection is responsible for data protection at Commerzbank. Employees of the Data Protection department, who answer to the GS-OS divisional head, monitor compliance with statutory data protection regulations, guidelines and procedural directives. Technical and organisational measures in accordance with the Federal Data Protection Act (Bundesdatenschutzgesetz – BDSG) ensure that the personal data of customers and employees is protected in line with statutory requirements. Apart from controlling access to data processing centres, these measures entail:</p> <ul style="list-style-type: none"> • Authentication using methods such as passwords and access controls via authorisation systems • Control of data transfer through means such as encryption of the data transfer platforms • Input control by logging instances of access to data • Order control by monitoring and managing contractors as part of 		

- outsourcing agreements
- Controlling availability through business continuity management measures
- Ensuring separation of data by storing databases for different purposes separately

The EU General Data Protection Regulation became enforceable in May 2018, which was accompanied by amendments to national laws. Commerzbank is implementing these new provisions as part of a project whose aim is compliance with the amended data protection regulations.

418-1	Substantiated complaints regarding breaches of customer privacy In 2017, 158 complaints were submitted in relation to the protection of customer data. In proportion to the 18 million private and small-business customers, as well as more than 60,000 corporate clients, this is an extremely low rate. We nonetheless put great effort into resolving each individual case. Most instances involved claims that such data had been used without authorisation or that third parties had gained knowledge of it. Of the complaints submitted, around 70 per cent were categorised as well-founded. Some complaints were submitted by the data protection regulatory authorities.	<u>16</u>
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419 Socioeconomic compliance

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
103	Management approach (including 103-1, 103-2, 103-3) Commerzbank considers acting properly and in accordance with the law in all areas of business to be the necessary foundation of our corporate responsibility. It takes extensive precautions to ensure that customers and employees do not fall victim to fraudulent activities. We also protect our products and processes against improper use. For us, resolving dubious matters and taking a zero-tolerance approach to all attempts at financial crime, irrespective of the person concerned, are top priorities. In order to stay ahead of the constantly increasing complexity of national and international legislation and regulations, the Group is continually developing its compliance risk management and bringing it into line with current developments and challenges. For details, please see the Group Risk Report in the Annual Report 2017 (p. 99 et seq.).		
419-1	Non-compliance with laws and regulations in the social and economic area In the reporting year, Commerzbank was not sentenced to pay any significant fines. Information on ongoing legal proceedings as at the end of 2017 can be found in the Annual Report 2017 (p. 129).		<u>16</u>

4. Sustainable finance

103 Management approach

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

103 Management approach (including 103-1, 103-2, 103-3)

The growing significance of sustainability offers our bank numerous opportunities. The energy transition and CO2 reduction call for new technologies and products that require large investments. At the same time, interest in sustainable investment opportunities is growing. As a result, we are developing products and services in response to the changes in the demand for financing and new investment opportunities in line with customer needs, while also producing an environmental benefit. It is the job of the Sustainable Finance Committee, which was founded in 2017, to assist in this process by bringing together departments and activities connected with sustainable finance within Commerzbank AG. 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 products and services with an environmental benefit and the improvement of existing ones (please also see p. 12 of the [Corporate Responsibility Magazine 2017](#) (PDF, 4.2 MB)).

Reputational Risk Management, which is of particular importance in terms of implementing sustainable finance at Commerzbank, is also represented on this committee. As soon as the front office determines that an issue defined by the Bank as sensitive has arisen, the corresponding product, transaction or customer relationship must be presented to Reputational Risk Management. Reputational Risk Management then conducts in-depth research into the potential environmental and social risks associated with the existing or potential business partners or with the content of the business transaction. Here, the department draws on information and reports prepared by NGOs and analysts, as well as media reports and information published by companies. It then performs a comprehensive analysis and concludes with a detailed evaluation. Environmental and social risks are evaluated using a five-point scale and can lead to the product, transaction or business relationship in question being rejected. A Divisional Board Member becomes involved as soon as the department determines a significant reputational risk. Serious cases may lead to escalation involving the Board of Managing Directors.

We developed and published online a new [Framework for managing environmental and social risks](#) in our core business during the reporting period. In this document, we describe in detail the manner in which environmental and social risks are managed. Sustainability risks of particular relevance to our business have been addressed in specific guidelines. In addition, we have adopted official positions on controversial business areas. Commerzbank's positions and guidelines concerning environmental and social issues are split into three categories: general exclusion criteria, sector-wide requirements and sector-specific requirements.

Overarching requirements concern the commitment to respecting human rights – both with regard to the Bank's own employees and to suppliers (see 407/103) and in terms of transactions and business relationships. 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 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.

Checks for reputational risk are performed not only when concluding new business transactions, but also when approving extensions or in light of certain events. Besides this check, Reputational Risk Management's primary task is to manage original reputation risks on a qualitative basis. As part of this process, the department continuously monitors the media and NGOs to identify any environmentally or socially controversial issues, projects and companies. This includes regular liaison with NGOs, as well as preparing and updating the Bank's positions and guidelines on sensitive issues. Furthermore, the department also informs and raises the awareness of Commerzbank employees in Germany and abroad by visiting regularly, organising presentations and publishing newsletters.

Reputational Risk Management is a department within the Group Communications division and is therefore the responsibility of the Chairman of the Board of Managing Directors. The reputational risks identified and dealt with by the department are included in a quarterly report on non-quantifiable risk to the Supervisory Board's Risk Committee and in the quarterly report on significant and high reputational risks to the CFO and the relevant members of the Board of Managing Directors responsible for the particular segments. Reputational risk management is a firm part of our overall risk strategy. For details, please see the Risk Report in the [Annual Report 2017](#) (p. 131).

[Environmental and social risk management process](#) (PDF, 41 kB)

Around 90 per cent 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.

Commerzbank also actively includes sustainability aspects in its development of conventional financing solutions by informing its clients about the benefits of public funding for these investments and encouraging them to realise sustainable projects (please also see p. 45 of [Annual Report 2017](#) and pp. 16 et seqq. of the [Corporate Responsibility Magazine 2017](#) (PDF, 4.2 MB)). In its [sustainability programme](#), the Corporate Clients segment has defined its own targets for expanding this consultation. It intends to increase transparency about existing public subsidiaries, significantly accelerate the application process and systematically expand the volume of loans granted to corporate clients via the KfW energy efficiency programme.

In retail banking, Commerzbank is focused on its role regarding responsible lending. This complete consulting approach also includes potential changes in clients' financial situations. In the case of such changes, Commerzbank has special risk units tasked with identifying risks at an early stage. It is their job to identify clients with emerging financial issues early on – if possible before

any issues arise that jeopardise the solvency of the client – and agree on measures together with the client that, in an ideal case, lead to a defined repayment process. In addition, Commerzbank is also offering an increasing number of private customers the opportunity to participate in the growing market of responsible investments with attractive yields.

SF1 Products and services designed to deliver a specific social benefit

Nr.	Disclosure	UNGC	SDG
SF1	<p>Products and services designed to deliver a specific social benefit</p> <p>It is not easy to clearly separate products and services designed to deliver a specific social benefit from other products and services because the social benefit depends largely on the customer's motives for buying the product or service, which are beyond the scope of any analysis that Commerzbank is capable of performing. Nevertheless, the Bank does have a range of offers, particularly in the Private Customers segment, that feature a social benefit component. They include, in particular, residential property and pension products. Commerzbank's gross home loan business totalled around 2.7 billion euros in 2017. Building up equity to buy property at a later date and long-term interest rate hedging in terms of home loans and modernisation 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 Riester products and basic pension covers worth a total of around 243 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 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.</p>	1-6	<u>1</u> , <u>11</u>

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>The 2-degree target agreed on at the Climate Change Conference in Paris in December 2015 poses major challenges for the international community. Under the banner of "green finance", actors from the fields of science and academia, business and politics are joining forces in numerous national and international projects to develop the future shape of banking. Commerzbank is involved in various initiatives. Since 2016, for example, it has been a member of the Sustainable Trade working group of the International Chamber of Commerce as well as the Green Finance working group at the Institute of International Finance.</p> <p>Green Finance is not a new issue for Commerzbank: We have been offering corporate and project financing along the renewable energy value chain since the mid-1980s. In 2017, the Bank's Energy Competence Centre's loan portfolio totalled around 5.2 billion euros, compared with 5 billion euros in the previous year.</p> <p>Financing of renewable energies by technology (PDF, 63 kB)</p> <p>The range of sustainable and therefore green investments is also becoming a</p>	7-9	

more important factor in the Private Customers segment. Thanks to strategic partnerships with selected investment fund providers, we are in a position to 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.

Commerzbank organised a special campaign between April and August 2017, which gave clients an opportunity to invest in five selected sustainability funds with no upfront fee through the online banking portal (please see SF3 for further details on sustainable investments for private customers).

Green bonds are another relevant aspect and Commerzbank supports its customers in preparing for and issuing bonds in areas of renewable energy and energy efficiency. It is also involved in corresponding interest groups and specialist associations. This enables it to actively contribute to cultivating the green bond market. Commerzbank assisted in the issuing of green bonds worth 5.5 billion euros in 2017 (2016: 5.2 billion euros). As a leading player in emissions trading in Europe, Commerzbank is also involved in the World Bank's Carbon Pricing Leadership Coalition (CPLC) and is therefore able to provide expert advice to its corporate clients on the latest international developments in emissions trading and carbon pricing.

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	1-10	<u>10</u>
	<p>The Commerzbank Global Equities – Catholic Values fund allows investors to participate in the performance of an international equity portfolio with an investment strategy based on the sustainability criteria of the Roman Catholic Church. The basis of this portfolio comprises more than 700 stocks from the Morgan Stanley Capital International (MSCI) World Index, which are included in the Catholic Value Custom Index. This fund was issued with the FNG label by the Forum Nachhaltige Geldanlagen e. V. for the second year in succession in 2017 (please see the Sustainability Portal for details).</p> <p>For quite some time now, foundations and churches have no longer been the only ones interested in sustainably investing their money. Private investors also increasingly expect the companies they invest in to act in an ethical and environmentally conscious manner. That is why Commerzbank also offers its private customers individual, sustainable portfolio management services focused in particular on securities that have been awarded "Prime Status" by the ISS-oekom sustainability rating agency, and in other words in sectors in which the most sustainable companies operate. By the end of 2017, investors had entrusted Commerzbank with more than 160 million euros for this type of portfolio management. Investors wishing to invest in individual securities can also do so sustainably: all Commerzbank equity ratings for private customers include this rating agency's assessments, if available.</p> <p>Commerzbank ceased proprietary trading in its investment banking activities in 2004, which means that there is no explicit environmental, social and governance audit for the Bank's own investments. Commerzbank's own investments mostly consist of investments for liquidity reserves in accordance with Basel III. As intended by lawmakers, the focus is on the bonds' market</p>		

liquidity. We therefore invest only in bonds from central governments (e.g. federal bonds) and regional states (e.g. German federal states), agencies (e.g. KfW, ESM, EFSF, EIB, etc.) and in covered bonds.

SF4 Active ownership

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
SF4	<p>Active ownership</p> <p>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. Commerzbank has so far had no voting policies on environmental or social issues for the other companies in its investment portfolio because such matters form part of the core 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]).</p>		

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