

## Report according to Global Reporting Initiative

For 2018, Commerzbank is reporting on its sustainability performance according to the Standards published by the Global Reporting Initiative (GRI,



version 2016). This report has been prepared in accordance with the GRI Standards: "Core" option. The disclosures included in the report were selected based on a materiality analysis conducted in 2018. This report also serves as our annual Communication on Progress regarding our implementation of the ten principles of the UN Global Compact (UNGC).

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the German version of the report. All the GRI Standards listed in the following GRI content index were published in 2016.

### GRI content index

#### GRI 101 Foundation

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

#### GRI 102 General Disclosures

##### 1. Organisational profile

Nr.	Disclosure	UNGC	SDG
<b>102-1</b>	<b>Name of the organisation</b> Commerzbank AG		
<b>102-2</b>	<b>Activities, brands, products, and services</b> 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.		
<b>102-3</b>	<b>Location of headquarters</b> Commerzbank AG's headquarters are located in Frankfurt am Main, Germany.		
<b>102-4</b>	<b>Location of operations</b> 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, 20 operational foreign branches (2017: 21) and 31 representative offices and financial institutions desks (2017: 32). The focus of the Bank's international activities is on Europe. For details on Commerzbank's global presence, please see the <a href="#">Annual Report 2018</a> (rear jacket).	
<b>102-5</b>	<b>Ownership and legal form</b> Commerzbank is a public limited company (AG) under German law. On 31 December 2018, approximately 45% 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 55% of all Commerzbank shares were in the hands of institutional investors. Free float stood at roughly 80%.  <a href="#">Shareholder structure</a> (PDF, 28 kB)	
<b>102-6</b>	<b>Markets served</b> Commerzbank is a leading commercial bank with <a href="#">branches and offices in almost 50 countries</a> across all continents. In total, the Bank serves more than 18.8 million private and small-business customers, as well as more than 70,000 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 414 foreign branches (2017: 390), Commerzbank is also represented directly at the most important centres of commerce for its customers.	
<b>102-7</b>	<b>Scale of the organisation</b> In financial year 2018, the Commerzbank Group generated gross income of 8.6 billion euros and an operating profit of almost 1,245 million euros, with a headcount of around 49,410 employees. Consolidated profit attributable to Commerzbank shareholders stood at 865 million euros. Total assets stood at 462.4 billion euros as at 31 December 2018.  <a href="#">Key performance indicators Commerzbank Group</a> (PDF, 32 kB)	
<b>102-8</b>	<b>Information on employees and other workers</b> At the end of 2018, 30,566 people were employed at Commerzbank AG in Germany. Another 3,431 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 310 employees. The majority of employees have permanent employment contracts. Around 29% of our employees currently work part-time. The proportion of external employees at Commerzbank is not significant.  <a href="#">Total workforce at Commerzbank AG (Germany) by gender and type of employment</a> (PDF, 30 kB) <a href="#">Employment split (full time/part time) at Commerzbank AG (Germany) by gender and workforce by type of contract and gender</a> (PDF, 33 kB) <a href="#">Employees at Commerzbank AG (Germany) by place of work and type of contract</a> (PDF, 29 kB)	6
<b>102-9</b>	<b>Supply chain</b> 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 2018](#) (p. 66 et seq.). Throughout the course of the year, changes were made to the members of the Supervisory Board, which was newly elected, and the Board of Managing Directors. In mid-October 2018, Commerzbank also issued its first green bond on the capital market with a volume of 500 million euros. The Bank uses the proceeds to refinance projects in the field of renewable energies. In the 2018 stress test carried out by the European Banking Authority (EBA), Commerzbank significantly improved its result despite a further intensification of the crisis scenario. Commerzbank and Société Générale also signed a sales agreement for the Equity Markets & Commodities (EMC) division in November.

**102-11 Precautionary Principle or approach**

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We have defined areas of action for sustainability management at Commerzbank, describing the primary challenges and establishing a framework for how we respond to them. These areas are Sustainable Corporate Governance, Markets & Clients and Environment & Society. We want to take every opportunity to avoid risks to our business and seize the potential to steer the business in a future-oriented direction. The identification of all material risks and drivers of risk, the independent measurement and evaluation of these risks and a risk/return-oriented management approach built on this foundation as part of a future-oriented risk strategy are crucial factors in successful risk management. For details, please see the Group Risk Report in the [Annual Report 2018](#) (p. 107 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 our Reputational Risk Management. Part of this approach to reputational risk management includes checking products, transactions and customer relationships where sustainability aspects are particularly important. We focus on socially, ethically and environmentally sensitive topics, such as places where projects lead to increased inputs of pollutants into the air, water and soil or may be associated with overuse of natural resources. We also ensure human rights are respected throughout our business with customers. For example, our business might involve local residents or employees involved in raw material extraction in developing and emerging countries. Reputational Risk Management determines conditions and limits of Commerzbank's business activity through differentiated evaluations and by rejecting transactions, products or customer relationships that do not meet specified conditions. In 2018, Reputational Risk Management reviewed roughly 5,900 individual cases on environmental, social and ethical topics (2017: 6,000 votes). Please see the section entitled "Sustainable finance" for

details on reputational risk management.

[Requests for assessments in reputational risk management in annual comparison](#) (PDF, 21 kB)

**102-12**

**External initiatives**

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

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

We are also members or signatories of the following initiatives:

- CDP, previously the Carbon Disclosure Project (since 2002)
- [UN Global Compact](#) (since 2006)
- Germany's Diversity Charter (signed 2008)
- DAX 30 declaration regarding women in managerial positions (2011 signatory)
- [The German Sustainability Code](#) (statements of compliance since 2013)
- [World Bank's Carbon Pricing Leadership Coalition](#) (since 2015)
- [Frankfurt Declaration "Accelerating Sustainable Finance"](#) (since 2017)
- [Green and Sustainable Finance Cluster Germany](#) (since 2017)
- [Climate Neutral Now](#) (signed 2018)
- [UN Women's Empowerment Principles](#) (signed 2018)
- [Alliance for development and climate](#) (since 2018)

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

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

We also publish information on selected initiatives and memberships in the [Fact Sheet Sustainability](#), updated quarterly.

### 102-13 Membership of associations

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

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

## 2. Strategy

Nr.	Disclosure	UNGC	SDG
102-14	<p><b>Statement from senior decision-maker</b></p> <p>Dear Readers,</p> <p>Acting sustainably and protecting the climate are vital for our future. We are not just talking about threats such as endangered biodiversity or the consequences of extreme weather events. Nor are we talking about merely finding possible solutions, such as electromobility or green electricity. The demands these days from activists and young activists in particular could not make it any clearer: sustainability and protecting the climate should be right at the top of our agenda. This applies to companies as well as to society as a whole. This is because we can only stop climate change if we act together.</p> <p>Following on from the Paris Agreement, the EU published its action plan on financing sustainable growth in March 2018. It specifies measures to reorient capital flows towards sustainable investment and manage financial risks stemming from climate change. The objective of the European Commission is to make Europe a pioneer in the topic of sustainable finance. Banks have an important role to play here: it is the financial institutions that can set sustainable priorities in the real economy through lending and investment business.</p> <p>This is entirely in the interests of investors, customers and civil society alike. These parties are increasingly requesting that financial institutions incorporate environmental and social criteria into their business decisions. The principles of good corporate governance must also be taken into account.</p>	1-10	7, 12, 13

Commerzbank is aware of this. We are actively committed to making the financial sector more sustainable and have signed up to various associations and committees, such as the Sustainability management working group of the Association of German Banks, and the Green and Sustainable Finance Cluster Germany. In our core business, we consistently strive to structure our range of products in a more sustainable manner and thereby support our customers in their own sustainability endeavours. For example, we have maintained our position as one of the largest financiers of renewable energies in Europe and made our portfolio global. The total volume of green and social bonds that we managed in 2018 rose to 11.4 billion euros, compared to 5.2 billion euros last year. This also includes our first green bond with a volume of 500 million euros, which Commerzbank successfully placed on the capital market in October 2018.

And we also have clear expectations of ourselves as a company. In 2007, we had set ourselves an ambitious climate target to reach by 2020: to reduce Commerzbank's CO2 emissions by 70%. We reached this climate target in 2018, two years earlier than planned, which is an impressive achievement. Yet we aren't prepared to stop at that. In our sustainability programme, we set approximately 100 short-, medium- and long-term objectives involving all areas of the bank. We are vigorously pursuing these objectives.

Our actions are guided by the ten principles of the UN Global Compact (UNGC) for human rights, labour rights, environmental protection and fighting corruption, as well as the 17 Sustainable Development Goals of the United Nations. In this report, we document Commerzbank's sustainability achievements for 2018 and our contribution to a sustainable financial sector. It also represents our 2018 UNGC communication on progress.

Yours

Martin Zielke

Chairman of the Board of Managing Directors, Commerzbank AG

## **102-15 Key impacts, risks, and opportunities**

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

The areas of the Bank relevant to sustainability, including the customer segments as well as Compliance, Human Resources, organisational units or environmental management, have joined together and drafted a Sustainability Programme with 100

objectives, which we have been working to achieve since 2017 and which we present extracts of in the [Corporate Responsibility Magazine 2019](#) (p. 31 et seq.).

### 3. Ethics and integrity

Nr.	Disclosure	UNGC	SDG
<b>102-16</b>	<p><b>Values, principles, standards, and norms of behaviour</b></p> <p>For us, Sustainable Corporate Management means striving to keep the promise of being “The bank at your side”. We are committed to being a reliable partner to our stakeholders and act in line with ethical values, such as integrity and fairness. We undertake to comply with legislation, directives and market standards as well as voluntary commitments, such as the <a href="#">UN Global Compact</a>, and various internal policies. For example, the binding principles of the global <a href="#">Code of Conduct</a> provide employees with clear guidance on how to conduct themselves properly and ethically during their daily work. These principles make it clear what Commerzbank expects from all of the Group’s employees; that they not only comply with laws, regulations and internal guidelines, but also act within our value system.</p> <p>Important guidelines for responsible conduct are also laid out in the:</p> <ul style="list-style-type: none"> <li>• Corporate culture, with the five <a href="#">ComWerte</a> (corporate values) of client orientation, performance, integrity, team spirit and courage;</li> <li>• <a href="#">Corporate Responsibility Guidelines</a>, which refer to six areas of compliance and transparency, integration in core business, raising employee awareness, stakeholder dialogue, commitment to the United Nations Global Compact and continuous improvement;</li> <li>• <a href="#">Sustainability strategy</a>, with nine principles guiding the Bank’s action;</li> <li>• <a href="#">Commerzbank policy framework</a> for handling environmental and social risks in its core business;</li> <li>• <a href="#">Commerzbank’s Environmental Policy</a>; and</li> <li>• <a href="#">Procurement guidelines</a>, which include ethical guidelines and the sustainable procurement standard.</li> </ul> <p>An overview of these guidelines can be found on Commerzbank’s <a href="#">sustainability website</a>.</p>	10	<a href="#">12</a> , <a href="#">16</a>

### 4. Governance

Nr.	Disclosure	UNGC	SDG
<b>102-18</b>	<p><b>Governance structure</b></p> <p>The Board of Managing Directors of Commerzbank is responsible for independently managing the Bank in the Bank’s best interest. In doing so, it must take into account the interests of shareholders, customers, employees and other stakeholders, with the objective of sustainable value creation. It develops the company’s strategy, discusses it with the Supervisory Board and ensures its implementation.</p>		<a href="#">12</a>

The Supervisory Board advises and supervises the Board of Managing Directors in its management of the Bank. It appoints and dismisses members of the Board of Managing Directors and, together with the Board of Managing Directors, ensures that there is long-term succession planning. To ensure that it can perform its duties efficiently, the Supervisory Board has formed eight committees from its members. In 2018, the Supervisory Board set up the committee for digitalisation and technology. The aim of this committee is to support the Bank throughout its transition to a digital technology business and in particular throughout the changes to its business model, the development of digital products and processes and associated changes to its organisational structure, as well as to provide support to the Board of Managing Directors when advising on and monitoring the Bank's digitalisation progress and the associated IT and investment budget. The current composition of the committees is described on page 15 of the [Annual Report 2018](#). Additional information can be found in the [Annual Report 2018](#) in the report of the Supervisory Board (pp. 6-14) and in the corporate governance report (pp. 23-28).

At Commerzbank, Group Communications is responsible for managing the topic of corporate responsibility in two departments:

- **Sustainability Management** is responsible for the strategic focus and coordination of the Bank's economic, environmental and social sustainability performance. It maintains a dialogue with stakeholders and is responsible for internal and external communications on corporate responsibility.
- **Reputational Risk Management** analyses transactions, customer relationships and products, above all to check whether they are compatible with our sustainability principles. It also works closely with the Bank's traditional risk management functions and liaises with appropriate non-governmental organisations on relevant issues.

[Organisational structure of corporate responsibility at Commerzbank](#) (PDF, 44 kB)

<b>102-25</b>	<p><b>Conflicts of interest</b></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. The members of the Supervisory Board possess internal guidelines on how to deal with conflicts of interest.</p> <p>Information on the subject is available in the <a href="#">Annual Report 2018</a> (pp.12, 25 et seq., 57).</p>	<u>16</u>
<b>102-35</b>	<p><b>Remuneration policies</b></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</p>	<u>5</u>



are not subject to collective bargaining agreements. In this regard, we have classified all positions at the Bank into career paths and levels and defined compensation brackets for them in line with market conditions.

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 Bericht zur Gleichstellung und Entgeltgleichheit (Report on gender equality and equal pay).

Detailed information on the remuneration of the Board of Managing Directors and the Supervisory Board can be found in the remuneration report in the Annual Report 2018 (pp. 29–42).

## 5. Stakeholder engagement

Nr.	Disclosure	UNGC	SDG
<b>102-40</b>	<p><b>List of stakeholder groups</b></p> <p>Corporate social responsibility involves seeking regular dialogue with internal and external stakeholders. In this active dialogue, we endeavour to meet the expectations and needs of our stakeholders, to incorporate them into our corporate strategy and to present our own points of view. We maintain a dialogue with the following stakeholder groups in particular:</p> <ul style="list-style-type: none"> <li>• Academic and research institutions</li> <li>• Civil society</li> <li>• Competitors/financial sector</li> <li>• Customers</li> <li>• Employees</li> <li>• Media</li> <li>• Non-governmental organisations</li> <li>• Politicians</li> <li>• Shareholders/investors</li> <li>• Suppliers</li> </ul>		
<b>102-41</b>	<p><b>Collective bargaining agreements</b></p> <p>The salaries of employees covered by collective bargaining agreements are governed by the national collective bargaining agreement for the private banking sector. The salaries of the lowest-paid group of employees are also well above the statutory minimum wage. The percentage of employees covered by collective bargaining agreements is 44.3%. See table showing total workforce at Commerzbank AG Germany by gender and type of employment (102-8).</p>	3	8
<b>102-42</b>	<p><b>Identifying and selecting stakeholders</b></p> <p>Commerzbank maintains relationships with all organisations and groups that come to the Bank with requests, wishes or suggestions. Our main focus is on dialogue with stakeholders that have a strong influence on or are strongly affected by the economic, environmental or social performance of Commerzbank.</p>		
<b>102-43</b> <b>102-44</b>	<p><b>Approach to stakeholder engagement and</b> <b>Key topics and concerns raised</b></p> <p>Commerzbank commits itself to dialogue on the key social,</p>		12

economic and fiscal issues. This exchange is of great importance, especially considering the loss of public trust in the wake of the financial crisis. In this active and transparent dialogue, Commerzbank endeavours to meet the expectations and needs of its stakeholders, to incorporate them into its corporate strategy and to present its own points of view. The following forums and the results arising therefrom present a selection of strategic communications with our stakeholders.

## Customers

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

As part of a range of workshops and interviews, small-business customers also contributed actively to the further development of our range of products and services in 2018. One of the results of this contribution is the UnternehmerPlus platform. It meets the customer's need for digital collaboration services, e.g. in the areas of invoicing management and accounting, and thereby supports our small-business customers in their day-to-day business. In-depth customer and non-customer surveys, individual one-day workshops with customers and studies were also conducted to help develop the Nachfolgeportal (succession portal), a platform for regulated business succession and sales.

SMEs are the focus of the Commerzbank initiative UnternehmerPerspektiven set up in 2006. Once a year, it surveys 2,000 owners and members of senior management from companies of different sizes and from different sectors. Representatives from business, associations, politics and academia discuss the results within the framework of public panel discussions. 2018 was all about big data and the associated opportunities and challenges for SMEs. Participants in the 19 events across Germany and one in Switzerland had the opportunity to exchange ideas, gain inspiration for their implementation and build a network of new contacts.

Commerzbank's corporate client segment conducts regular customer surveys on specific topics for the development of these services. This ensures that the Bank gains an insight into what customers want and need, and this is then used in the creation of products and processes. The aim of this is to align product optimisations and innovations with customer needs, e.g. in terms of digitalisation. Other surveys provide information on how satisfied corporate clients are with the support in this segment along with what they want and need to gain from the collaboration.

## Shareholders/investors

Sustainability rating agencies combine the expectations of investors with regards to the Bank's consideration of sustainability aspects. With the interest in these matters growing among our investors, the importance of the sustainability ratings is growing too. Commerzbank cultivates active dialogue with selected agencies. The main focus is increasingly on the strategic integration of sustainability aspects into the Bank's core business. In addition, transparent and clear communication helps analysts assess our sustainability performance.

Further details about shareholder communications can be found in the Annual Report 2018 (p. 28 et seq.). In addition, the Chairman of the Supervisory Board is prepared, within an appropriate framework, to hold discussions with investors on topics related specifically to the Supervisory Board.

## Employees

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

In terms of our employees' involvement in the company's operations, we rely on staff surveys and 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 1,500 ideas were submitted in the year under review. One of the successful ideas in 2018 was a simplification of internal corporate client processes, which eliminated media disruption in forms. Another idea ready to be implemented is the structured approach to customers after successful repayment of a home loan.

## Supervisory Board

A total of nine Supervisory Board meetings were held in 2018. In addition, the employee representatives and the shareholders met respectively for an all-day strategy meeting. All of the regular meetings focused on the Bank's current business situation, which in each case was discussed in detail with the Board of Managing Directors. The Bank's economic and financial development, risk position, strategy and implementation status, planning, compliance issues, risk management system and the internal control system were all addressed in greater detail. In addition, the focal points of the Supervisory Board activities were the economic development and orientation of individual business areas. The Supervisory Board was also continuously informed of the progress regarding cooperation with the US monitor. Details about particular meetings can be found in the Annual Report 2018 (pp. 6-9).

## Politics

In the interests 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.

There are various types of events to facilitate dialogue with political representatives, especially in Berlin. One example is a "political breakfast": during a week when parliament is in session, guest speakers discuss social and economic issues with representatives from politics, academia and business.

Financial institutions have an important role to play in stopping climate change, and the international community made a commitment to this by signing the Paris Agreement. One of the three goals agreed there was to reorient global financial flows into projects and technologies that reduce greenhouse gas emissions and promote climate-resistant development – such as renewable energies. It is equally important for the achievement of the goals that financial service providers no longer support certain transactions. We follow with interest the European Commission's action plan on financing sustainable growth and the legislative and non-legislative measures contained therein. We regard the proposed initiatives as vital and support them wholeheartedly, but also constructively and critically, for example through our collaboration with associations and non-governmental organisations. At the same time, we followed the recommendations of the Task Force on Climate-related Financial Disclosures and of the European Commission's Technical Expert Group on Sustainable Finance with great interest in the year under review.

## Civil society

In December 2018, Tijen Onaran was a guest at "Commerzbank in Dialogue". The CEO and Founder of Global Digital Women joined Chairman of the Board of Managing Directors at Commerzbank Martin Zielke to discuss what the digital transformation means for business, politics and society. 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.

## Non-governmental organisations

The exchange of ideas and information with non-governmental organisations (NGOs) is important to us for discussing the potential impact of our business activities on people and the environment. In addition, Commerzbank evaluates related studies on a regular basis. The findings are included in our decisions on business policy. In the year under review, this exchange continued to focus on climate protection and CO<sub>2</sub> emissions associated with coal-fired electricity generation.

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

## 6. Reporting practice

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
<b>102-45</b>	<p><b>Entities included in the consolidated financial statements</b></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 <a href="#">Annual Report 2018</a>. For a list of all entities included in the scope of consolidation, please see pp. 293-296 and 309-311 in that report.</p>		
<b>102-46</b>	<p><b>Defining report content and topic Boundaries</b></p> <p>In autumn 2018, Commerzbank identified those issues that are material to the company both today and for the future as part of a multi-step materiality analysis. Seventeen sustainability issues were evaluated in terms of their relevance to stakeholders and business success as well as the scope of the impact of business activities on the environment and society.</p> <p>Building on the materiality analysis last carried out in 2015, we analysed studies, standards and ratings and identified potentially relevant issues. A panel of eleven representatives of external stakeholder groups conducted qualitative interviews to set out their expectations of Commerzbank in this regard and prioritise the topics in order of relevance (for selected feedback, see p. 14 of the <a href="#">Corporate Responsibility Magazine 2019</a>). We were also able to determine the scale of the impact of our business through an online survey carried out among employees and managers. The materiality matrix created from the results was discussed and adopted in a workshop by specialists from units connected to sustainability. In the final step, we assigned the respective GRI Standards to the relevant issues and assessed whether the largest potential for making an impact was internal or external.</p> <p><a href="#">Commerzbank AG's materiality matrix</a> (PDF, 42 kB)</p>		
<b>102-47</b>	<p><b>List of material topics</b></p> <p>All material topics and the classification of their importance inside or outside the company are presented in tabular form in the following PDF.</p> <p><a href="#">Material topics and classification of GRI Standards</a> (PDF, 35 kB)</p>		
<b>102-48</b>	<p><b>Restatements of information</b></p> <p>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.</p>		
<b>102-49</b>	<p><b>Changes in reporting</b></p> <p>Due to the new materiality analysis, there were changes to the list of material topics compared to previous years. The two topics "Products and services that deliver a social benefit" and "Products and services that deliver an economic benefit" were largely replaced by "Sustainable investments and capital market products", "Sustainability criteria in Bank's own investments" and "Holistic risk management". New topics included "Data protection and security", "Reference to sustainability in remuneration", "CR ratings and reporting" and "Stakeholder dialogue". The topic "Long-term economic stability", on the other hand, was considered to be immaterial to reporting on sustainability</p>		

	<p>performance within the scope of GRI. All in all, the number of material topics was increased from 13 to 17. Some of the reported GRI Standards have been re-assigned to these topics, but remain unchanged apart from four standards on which we no longer report as they are classified as irrelevant: "201 Economic performance", "301 Materials", "303 Water" and "306 Effluents and waste".</p>
<b>102-50</b>	<p><b>Reporting period</b> All figures in this GRI report relate to the period from 1 January 2018 to 31 December 2018. Information outside this reporting period is marked with the respective date. The editorial deadline was 30 June 2018.</p>
<b>102-51</b>	<p><b>Date of most recent report</b> The last GRI report was published in July 2018 with information relating to the reporting period 2017.</p>
<b>102-52</b>	<p><b>Reporting cycle</b> 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 <a href="#">sustainability website</a>.</p>
<b>102-53</b>	<p><b>Contact point for questions regarding the report</b> Commerzbank AG Anna Ritschel Group Communications Sustainability and Issue Management <a href="mailto:sustainability@commerzbank.com">sustainability@commerzbank.com</a></p>
<b>102-54</b>	<p><b>Claims of reporting in accordance with the GRI Standards</b> This report has been prepared in accordance with the GRI Standards: "Core" option.</p>
<b>102-55</b>	<p><b>GRI content index</b> The present GRI report also constitutes the GRI content index and was prepared according to the GRI Standards (2016) published by the Global Reporting Initiative (GRI). Specific disclosures for financial service providers were also taken into account in the section entitled "Sustainable finance".</p>
<b>102-56</b>	<p><b>External assurance</b> The consumption data, the data collection mode and the calculation of CO2 emissions for Commerzbank AG (Germany) have been <a href="#">externally verified</a> by DNV GL Business Assurance Zertifizierung und Umweltgutachter GmbH since 2009 as part of our environmental management system in accordance with ISO 14001 and since 2016 as part of our energy management system in accordance with ISO 50001. For 2018, the unverified environmental data of Commerzbank AG abroad has also been presented in this GRI report again. An external verification of the full GRI report has not been performed.</p>

## Material topics

## 1. Economy

### GRI 203 Indirect Economic Impacts

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3) As an active part of society, we want to positively shape our environment. The Bank primarily lives up to this responsibility through the positive impact of its financial services on the economy and through its role as an employer and taxpayer. We also consider the range of high-quality financial services that we offer to be an important contribution by our Bank to society's infrastructure.</p> <p>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 nationwide local presence. By contrast, 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 2016, we have been working in the branch business with our multi-channel-platform "ONE", available to both customers and advisors, and we can be reached day and night thanks to our customer centres and mobile and online banking services.</p> <p>To make Commerzbank offers available to all interested parties, we place great emphasis on designing our branches to be fully accessible. Currently, some 65% of our branches ensure completely barrier-free accessibility. In future, we will consider access for as many groups of users as possible when refurbishing branches and installing automated teller machines. Commerzbank automated teller machines have been fitted with a "read out" function for visually impaired clients who wish to make payments.</p> <p>The Bank has set itself targets for even greater financial inclusion in its <u>Sustainability Programme</u>, including plans to ensure that at least 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>		<u>9,</u> <u>10</u>
<b>203-1</b>	<p><b>Infrastructure investments and services supported</b> 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 <u>corporate volunteering</u>. It encourages and enables staff to contribute to society by giving them time off or providing facilities, for example. Our employees' personal involvement benefits social development and improves the quality of life for disadvantaged people. At the same time, it motivates employees and fosters a culture of understanding in the workplace.</p> <p>For example, Commerzbank's employees got involved as mentors in the <u>education mentor programme</u>, launched in 2013 by</p>		<u>4,</u> <u>11</u>

Commerzbank. 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 2018, the programme was available in 11 German states, and 45 new participants took part in it. Since 2013, around 325 Commerzbank employees have helped more than 500 young people as education mentors. Commerzbank continues to support the Joblinge organisation in developing Kompass, which is 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, almost 300 Commerzbank employees took part in the Malteser Social Day in 2018, supporting 30 social projects in 8 towns and cities throughout Germany. Many of these charitable projects provided support to disabled people, senior citizens and refugees. Commerzbank employees also pitched in with the renovation and other structural work at day care centres and schools. Commerzbank has been participating in the Malteser Social Day since 2012. It excuses employees from their work for the day and pays the participation fee.

In 2018, employees of Commerzbank AG and Commerz Real once again had the opportunity to participate in the spare cent donation, as it is known, which rounds pay down to the nearest full euro amount and donates the difference. The 4,950 employees involved in the second year of the loose change initiative donated over 25,300 euros to benefit social organisations.

Commerzbank aims to make a contribution towards general financial education, especially at school level, and supports the business@school project, among others. This Boston Consulting Group education initiative seeks to present business issues in a vivid and practical way. It gives sixth-form students the opportunity to engage with business and economics in greater depth over the course of a year. In the 2018/2019 school year, 36 Commerzbank employees volunteered as school advisors. Senior managers also take part voluntarily as judges for the regional heats and European final.

The Green Band initiative has been in existence for over 30 years: together with the German Olympic Sports Confederation (DOSB), Commerzbank annually awards prizes of 5,000 euros each to 50 sport clubs that have been noted for their exemplary promotion of talented players and for their youth work. So far, more than 500,000 children and young people from more than 1,800 sport clubs have benefited from the initiative. Supporting popular sport is also the focus of the DFB Junior Coaches collaboration project. While the Deutscher Fußball-Bund (DFB, the German Football Association) trains young people at around 200 schools across Germany to work as junior coaches, local Commerzbank mentors provide support by helping them prepare for working life: by organising job application workshops at the schools and assisting them in finding internships at Commerzbank branches.

Since as early as 1990, Commerzbank has been offering the



Commerzbank environmental internship to students with an interest in this area. Every year, it provides up to 75 students with practical content in the fields of environmental education and public relations in nature reserves throughout Germany. We organise and finance the environmental internship, the nature reserves provide the specialist support. In 2018, the Bank decided to continue the project until at least 2022 during one of its regular reviews. Almost 1,600 interns have taken part in the programme since it began. The graduates then contribute their experiences to business, politics, society or environmental protection.

Commerzbank donated a total of around 332,000 euros to different institutions and organisations in the past financial year.

For more information about Commerzbank's commitment to society, please see the Corporate Responsibility Magazine 2019 (p. 25 et seq.) and the Annual Report 2018 (p. 58 et seq.).

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

- The Commerzbank Foundation focuses on supporting science, culture and social issues across Germany. In cooperation with its partner organisations, it creates incentives for young researchers in line with its mission to advance the cause of cultural education in our society – for example, through the ZukunftsGut prize for institutional cultural education, which was announced for the first time in 2018. Last, but not least, it also supports projects that help disadvantaged people achieve greater self-determination. As a foundation under civil law, the Commerzbank Foundation continues the tradition of the dependent company foundation established in 1970.
- 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. At the end of the reporting year, the Foundation became independent and is therefore no longer part of Commerzbank.
- 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.

The endowment capital of each and their sponsorship volumes in

the year under review are shown in the following tables.

[Sponsorship volume of foundations supported by Commerzbank](#)  
(PDF, 27 kB)

[Endowment capital of foundations supported by Commerzbank](#)  
(PDF, 27 kB)

In 2018, these foundations received a total of around 925,000 euros in support from Commerzbank for staff, workplaces and other material costs.

## GRI 205 Anti-corruption

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3) To combat bribery and corruption, we do not only take existing statutory obligations into account, such as the UK Bribery Act or the US Foreign Corrupt Practices Act. We also adhere to the OECD's Guidelines for Multinational Enterprises and comply with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Moreover, we have undertaken to adhere to the ten principles of the UN Global Compact – including combating corruption.</p> <p>These external standards are supplemented with internal guidelines. Together they form the framework for Compliance Management for combating corruption. This includes the binding codes of conduct that provide a framework for correct and ethically appropriate conduct in the day-to-day working environment. Through its Global Anti-Bribery and Corruption Policy (ABC Policy), Commerzbank seeks to combat bribery, the acceptance of advantages and other forms of corruption. It applies both within and outside the Group and in dealings with trade organisations, public officials and persons who have a relationship with Bank companies.</p> <p>Commerzbank has introduced central prevention systems throughout the Group in order to identify, monitor, mitigate and, if possible, avoid compliance risks and thus ensure compliance with the ABC Policy. This includes risk analyses, compliance checks and the evaluation of their effectiveness, training, mandatory time away, the <a href="#">Code of Conduct</a>, reliability checks of potential employees, due diligence checks of third parties and the <a href="#">whistle-blowing system</a> ("Business Keeper Monitoring System", BKMS). Customers, employees and third parties can use this online system to report any suspicions of financial crime or any violations of statutory, regulatory and internal requirements connected to Commerzbank, and they can do so anonymously if desired.</p> <p>Newly signed contracts between Commerzbank and service providers contain a binding integrity clause. They are also regularly analysed for any indications of corruption in commercial databases as part of the due diligence process after the business relationship has been initiated.</p> <p>We launched a conflicts of interest management system to prevent or adequately resolve potential conflicts of interest. Commerzbank uses a Conflict of Interest tool, for example. This gathers data</p>	10	<u>16</u>

	from around the world concerning transactions in the corporate client or capital market segment and reviews it. We strongly oppose attempts at market manipulation and are committed to preserving the integrity of the markets and our clients' need for protection.		
<b>205-1</b>	<p><b>Operations assessed for risks related to corruption</b></p> <p>Potential compliance risks are evaluated and mitigated on the basis of risk analysis. It is carried out 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 – the level of detail for which increased significantly in 2018 for all global units – and assesses the relevant risks and control activities carried out by these entities. In addition to gifts and invitations, the potential corruption risks taken into account in the risk analysis also include business partner compliance as well as donation activities, personnel processes and payment processes.</p> <p>We regularly review the prevention measures implemented as a result of the risk analysis and supplement them as needed. 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.</p>	10	<u>16</u>
<b>205-2</b>	<p><b>Communication and training about anti-corruption policies and procedures</b></p> <p>A special ABC training programme was designed to help employees with the implementation of policies. The web-based training must be completed by all employees, managers and external contractors every year. More than 40,000 employees of the Commerzbank Group regularly receive such training on issues such as corruption prevention. Business and functional units with heightened risk profiles and individuals in positions at Commerzbank at increased risk of bribery and corruption receive additional needs-based training. For example, the assistants to the Board of Managing Directors completed special training in 2018. In addition, a three-day interactive training course – what is referred to as Compliance Bootcamp – was developed for and with senior relationship managers in the Corporates International division and is regularly provided as classroom training. The Chief Compliance Officer also provides the Supervisory Board with annual training on compliance-related topics. In addition, an anti-corruption team is available at all times to answer questions.</p>	10	<u>16</u>
<b>205-3</b>	<p><b>Confirmed incidents of corruption and actions taken</b></p> <p>Commerzbank explicitly does not tolerate corruption or other criminal acts by employees. The Bank has a zero-tolerance approach to criminal offences. Any employee who is proven to have breached this principle will face the full consequences under employment, civil and criminal law. We are not aware of any cases of corruption in the Commerzbank Group in 2018.</p>	10	<u>16</u>

## 2. Environment

**GRI 302 Energy**

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3) Operational environmental protection and the systematic reduction of resource consumption at Commerzbank are key components of our sustainability concept. "Environment &amp; Society" is one of the three defined areas of action in our sustainability management (see <a href="#">Corporate Responsibility Magazine 2019</a>, p. 30 et seq.) In order to reduce the Bank's environmental footprint, we continued working on the various measures for implementing our climate strategy (see 305/103) and on continuously refining our certified environmental and energy management system in 2018. This concerns the areas of energy, emissions and compliance in an environmental context.</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 &amp; Security unit, which reports directly to the Board of Managing Directors. Operational environmental protection is also closely connected to many other departments to ensure that Commerzbank's environmental guidelines are applicable to all areas of the Bank and to influence the Bank's business activities. Environmental- and energy-related measures are decided through line functions leading through to the full Board of Managing Directors. The environmental and energy management system and its regular reports give the full Board of Managing Directors a broadened basis for their decision-making. The COO is responsible for environmental matters within the Board of Managing Directors. Through its environmental guidelines, Commerzbank has defined and published clear <u>rules</u> for conducting business in an environmentally responsible way.</p> <p>Commerzbank and its 15 subsidiaries have an integrated <u>environmental and energy management system</u>. 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 2018, 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 <u>Sustainability Programme</u>.</p> <p>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 is not available. An external verification has therefore not been performed yet. We continue to work on improving data quality for foreign branches as well.</p> <p>As part of our efforts to achieve our <u>climate strategy</u> goals (see</p>	7-9	<u>7,</u> <u>12,</u> <u>13</u>

305/103), we have been implementing a variety of measures, in particular in terms of 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 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 our sustainability targets in "Environment: Energy and emissions" is to cut energy consumption by 8% by 2020 compared to 2014 (417.32 MWh). In 2017, we already significantly exceeded this target with a decline of 13.2% to 362.27 MWh. Energy savings compared to 2014 increased even further in 2018 and have now reached -17.5% (344.43 MWh). The comparatively warmer winter in 2018 and our relocation to a more efficient location in Berlin have assisted us in this regard.

Commerzbank has joined together with 14 other Frankfurt-based companies to participate in the Energy Efficiency Networks Initiative, organised jointly by the Federal Government and business associations and organisations.

Besides implementing energy-saving measures, this project is also focused on facilitating intensive dialogue between the companies involved with the assistance of independent energy advisers.

<b>302-1</b>	<b>Energy consumption within the organisation</b>	7, 8	<u>7,</u> <u>12,</u> <u>13</u>
<p>At Commerzbank AG Germany, approximately 64% of heat energy is obtained from natural gas. Outside Germany, more than 69% of heat energy is generated with natural gas and almost 26% of heat energy through district heat systems. 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 heat generation. Heating oil as a source of heat energy stands at 1.5% in Germany, and at 5.1% for locations abroad. In absolute terms, heating oil consumption at locations abroad remained stable year on year in 2018, with the rise in the percentage share by 3 percentage points due to the reduction of other forms of heating energy consumption.</p> <p>Electricity consumption at Commerzbank AG Germany was able to be maintained at the same level as in the previous year. Total electricity consumption, on the other hand, fell by 6.1% as projections at individual locations abroad were able to be replaced by actual measurements. Once again, a significant reduction was achieved in 2018 in district heating. Commerzbank's total indirect energy consumption declined by 6.9% year on year.</p> <p><u>Direct energy consumption at Commerzbank AG (PDF, 28 kB)</u>  <u>Energy consumption (electricity and district heating) by Commerzbank AG (PDF, 31 kB)</u></p>			
<b>302-4</b>	<b>Reduction of energy consumption</b>	8, 9	<u>12,</u> <u>13</u>
<p>Energy consumption at Commerzbank AG in Germany decreased by around 3.1% year on year in 2018. The measures implemented as part of the energy management system, such as optimising air conditioning systems, lighting, hours of operation and IT</p>			

infrastructure made a significant contribution in this regard. Car-based business travel also declined slightly by 1.8%.

### GRI 305 Emissions

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)</p> <p>The overarching approach to environmental and energy management regarding the Bank's operations under 302 also applies to 305. As part of our <u>climate strategy</u>, we have made a commitment to reduce Commerzbank AG's Germany CO2 emissions by a total of 70% by 2020 compared with the base year of 2007. 2007 was chosen as a base year for climate targets as this was the first year in which Commerzbank calculated its carbon footprint following the takeover of Dresdner Bank and this was also when the Corporate Responsibility Guidelines were developed.</p> <p>We have been implementing a variety of measures, in particular in terms of energy use and mobility, to achieve our climate target. This is primarily a question of avoiding greenhouse gas emissions or, in cases where this is not possible, of reducing them systematically. These efforts resulted in a 70.1% reduction in CO2 emissions in 2018 compared to 2007, enabling us to reach our climate target two years early. The remaining emissions that are difficult to avoid (including staff commuting to and from work) have been offset since 2015. Commerzbank AG's operations in Germany are therefore <u>climate neutral</u>. Additional details on climate neutrality and criteria for selecting projects as well as cancellation confirmations for certificate purchases in 2018 are available on the <u>sustainability website</u>.</p> <p>A systematic analysis of the sources of emissions as well as knowledge of our own carbon footprint is essential when determining the emissions reduction potential and for the introduction of effective measures. Commerzbank is therefore moving away from eco-controlling in favour of CO2 accounting, which involves implementing CO2 substitution measures, such as the gradual switch to green electricity and projects to reduce CO2.</p> <p>Our travel guidelines state that domestic air travel should be avoided whenever possible. They also require employees to instead use public transport as their first choice, look into travel-sharing opportunities and, where feasible, use technical alternatives such as video and telephone conferencing. This approach is making progress thanks to a project currently under way which focuses on digitally integrated communication and collaboration at the workplace using modern communication technology.</p> <p>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</p>	7-9	<u>12</u> , <u>13</u>

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.

Our mobility-related targets can be found in the [Sustainability Programme](#) under "Environment: Mobility".

<b>305-1</b>	<b>Direct (Scope 1) GHG emissions</b>	7, 8	<u>12,</u> <u>13</u>
	<p>Commerzbank measures its greenhouse gas emissions in accordance with the standard developed by the German Association for Environmental Management and Sustainability in Financial Institutions (VfU). This standard is based on international environmental and climate reporting standards such as the Greenhouse Gas (GHG) Protocol, CDP and the Global Reporting Initiative (GRI). The emissions are calculated as CO2 equivalents, which means that apart from CO2, other greenhouse gases, such as methane (CH4) and nitrogen oxide (N2O), are also accounted for in the calculation, and their detrimental effect on the climate is converted into the CO2 reference value. In our reporting on CO2 emissions, we distinguish between Scope 1 (all direct GHG emissions), Scope 2 (indirect GHG emissions from consumption of purchased energy) and Scope 3 (all other indirect emissions from services rendered by third parties, as well as upstream and downstream processes) in accordance with the Greenhouse Gas (GHG) Protocol. The consumption data, the data collection mode and the calculated CO2 emissions have been verified since 2009 by the external company DNV GL Business Assurance Zertifizierung und Umweltgutachter GmbH.</p> <p>In 2018, Commerzbank AG in Germany managed to reduce its CO2 emissions year on year by around 7,442 tonnes, or 6.4%. 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 7,728 tonnes of CO2 in 2018. The corresponding amount of energy consumed decreased by 25.4% during the same period, while CO2 emissions increased by 11.4% due to the adjustment of the figure.</p> <p>Travel by staff also has a significant impact on Commerzbank's carbon footprint, accounting for some 25.9% of our greenhouse gas emissions at Commerzbank AG in Germany in 2018. Around 62.6% of all business travel at Commerzbank AG in Germany and 52.9% of business travel at Commerzbank AG as a whole was done by car.</p> <p><a href="#">Direct and indirect greenhouse gas emissions (GHG emissions) of Commerzbank AG</a> (PDF, 42 kB)  <a href="#">Carbon footprint at Commerzbank AG by scope</a> (PDF, 36 kB)  <a href="#">Business travel at Commerzbank AG</a> (PDF, 33 kB)</p>		
<b>305-2</b>	<b>Energy indirect (Scope 2) GHG emissions</b>		
	See 305-1.		
<b>305-3</b>	<b>Other indirect (Scope 3) GHG emissions</b>		
	See 305-1.		

<b>305-4</b>	<b>GHG emissions intensity</b> <u>Greenhouse gas (GHG) emissions intensity</u> (PDF, 29 kB)	8	<u>13</u>
<b>305-5</b>	<b>Reduction of GHG emissions</b> <p>With a 70.7% reduction in CO2 by the end of 2018, Commerzbank has already met its <u>climate target</u>, 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). Milestones in this process included the transition to LEDs for shop-front and outdoor lighting in all branches and the decision to switch all 1,100 buildings used by the Bank over to 100% green electricity. We continue to work on measures to help prevent CO2 emissions to ensure that we remain at this 70% mark over the long term. Since the start of 2015, Commerzbank AG in Germany has been <u>climate neutral</u>, thanks to its programme aimed at offsetting all unavoidable CO2 emissions from business operations, including staff commuting to and from work (see 305/103).</p> <p><u>Reduction of CO2 emissions 2008-2018</u> (PDF, 37 kB)</p> <p>In 2018, the average CO2 emissions of newly ordered company vehicles to be leased amounted to 140 grams per kilometre (2017: 118 grams per kilometre; 2016: 118 grams per kilometre). This increase is due to the new WLTP standard for emissions and energy consumption tests, which entered into force on 1 September 2018. Compared to 2017, average CO2 emissions for diesel and petrol pool vehicles at Commerzbank decreased by approximately 1% to 101 grams per kilometre and 95 grams per kilometre respectively in 2018. The Bank reduced its fleet of pool vehicles to 305 vehicles by the end of 2018 (2017: 322) which corresponds to a decrease of 5.3%.</p> <p>The ongoing digitalisation of Commerzbank is one particular initiative to reduce emissions. It has helped cut GHG emissions caused by paper consumption by 20.2% compared to 2017. Improvements to technological communication means have also helped to reduce business travel by 8.2% compared to 2017. This has enabled emissions caused by business travel to be cut by 7.3%.</p>	8, 9	<u>13</u>

### GRI 307 Environmental Compliance

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

### GRI 308 Supplier Environmental Assessment

Nr.	Disclosure	UNGC	SDG
		7, 8	<u>12</u>



<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)</p> <p>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 &amp; 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.</p> <p>We ensure standardised sustainability standards through various policies and processes. This commitment extends to our suppliers and service providers:</p> <ul style="list-style-type: none"> <li>• Commerzbank's <u>Code of Conduct</u> includes the binding provision that the Bank expects its business partners to respect human and personal rights as well.</li> <li>• Suppliers' compliance with social standards is an integral part of Commerzbank's <u>sustainable procurement standard</u>. 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.</li> <li>• Commerzbank's suppliers and service providers are required to sign the integrity, environment and social responsibility clause, thereby undertaking to act with integrity in their business dealings.</li> <li>• Compliance with social standards is the focus of annual meetings with Commerzbank's main suppliers.</li> <li>• Reputational Risk Management also performs ad hoc analyses during the process of selecting suppliers.</li> </ul>		
<b>308-1</b>	<p><b>New suppliers that were screened using environmental criteria</b></p> <p>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.</p>	8	<u>12</u>

### 3. Social

#### GRI 401 Employment

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)</p> <p>Commerzbank aims to offer its staff a working environment</p>	6	<u>8</u>

characterised by a spirit of partnership. Our human resources policy provides a framework which promotes the development of each individual employee as well as collegial cooperation within the Group, even in a challenging economic setting. At the same time, the Bank has to confront the challenges posed by increasing digitalisation in order to remain viable. The headcount reduction decided on within Commerzbank in this context was further implemented in 2018 in a socially responsible way without involuntary redundancies. This included 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. The proportion of external employees at Commerzbank is not significant.

One of the major challenges for HR work in the Group is to carry out the headcount reduction at Commerzbank fairly while at the same time retaining employees in a challenging labour market and securing young, able talent for the digital transformation. To counteract the demographic bottleneck resulting from the exit from the workforce of the baby boom generation, our human resources and capacity management activities are guided by long-term developments. Initiatives to ensure that the Bank has a healthy pipeline of future talent are firmly anchored in the strategic agenda of HR until 2020.

Commerzbank's HR work lies in the responsibility of Dr Bettina Orlopp's Board portfolio Compliance, Human Resources and Legal, and 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 Sustainability Programme. 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 2018 was on studies involving executives and senior staff on digitalisation and the "culture of integrity", as well as the evaluation of events by the Board of Managing Directors. Furthermore, the implementation of new processes and platforms were supported by accompanying surveys.

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**

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The rate of employee turnover in the year under review was 4.8%. This amounts to a year-on-year increase of 0.2%. The average length of service of employees with Commerzbank AG Germany is around 21 years; 17% have worked for the Bank for up to 9 years, 29% for between 10 and 19 years, and 54% for 20 years or more.

[New hires at Commerzbank AG \(Germany\) by age, gender and region](#) (PDF, 30 kB)

[Employee turnover at Commerzbank AG \(Germany\) by age, gender, region and reason for leaving](#) (PDF, 35 kB)

**GRI 403 Occupational Health and Safety**

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)</p> <p>Health management is another central concern that is anchored in the strategic agenda of Commerzbank's HR work until 2020: the Bank seeks to promote the mental and physical health and social well-being of its employees. Furthermore, we want to enable our employees and managers to take personal responsibility for their health and well-being, building up the resources they need to meet the changing requirements. External psychologists and social workers support employees and managers with difficulties in their personal and professional lives as part of the Employee Assistance Programme (EAP).</p> <p>Commerzbank supports a variety of initiatives focusing on promoting good health. Around 160 locations in Germany have company sport associations in which employees can engage in a variety of sporting activities. Not only do such associations promote a healthy lifestyle, they help foster a sense of togetherness within the Bank. Some 14,000 association members engaged in sporting activities in the year under review. Interregional tournaments and German championships also take place on a regular basis.</p> <p>The Global Challenge is a scheme aimed at encouraging employees to exercise as a team and to do more to promote healthy living. Participants were tasked with measuring their own exercise levels, based on step count, for a period of 100 days. In addition, they also received assistance and tips on nutrition, sleep, energy and concentration to help lead a healthier lifestyle. Around 1,600 employees from all over the world took part in the Global Challenge in 2018.</p> <p>At Commerzbank, dealing with stress and overwork has long since lost its tag as a taboo issue. The Bank and the central works council broach this issue openly and proactively. By applying a comprehensive and preventative approach, the Bank aims to provide those affected by such issues with information regarding the support that is available as early as possible. The employee network HORIZONT, which was established in 2011, also aims to help familiarise Commerzbank employees with the issue of burnout (psychological and physical exhaustion) and remove prejudice and psychological barriers. It offers a platform for sharing information and experiences as well as access to trained contact partners for burnout-related issues. In turn, they can establish dialogue with a variety of contacts as well as internal and external experts, if requested. In addition, the Bank also offers a variety of qualification measures in areas such as mindfulness and stress management. The package of measures on "avoiding health risks resulting from an always-on work culture" was launched in 2018 and has already been largely implemented: through events for managers, keynote speeches and audio events.</p> <p>In 2013, Commerzbank was the first company in Germany to obtain a certification of its occupational healthcare management from TÜV Süd according to the Corporate Health Standard.</p> <p>Health-and-safety-related targets can be found in the <u>Sustainability Programme</u> under "Employees: Health and Safety".</p>	1, 6	<u>3</u>
<b>403-1</b>			<u>3</u>

### **Workers representation in formal joint management -worker health and safety committees**

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 the health and safety committee and work together in 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 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities**

3

The rate of absence due to illness at Commerzbank AG Germany amounted to 4.9% in 2018, which does not include persons on long-term sick leave. The rate of reportable workplace and commuting accidents at Commerzbank in Germany was 6.8 per 1,000 employees in 2018 (2017: 5.6) 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 at Commerzbank AG \(Germany\) by region and gender \(PDF, 44 kB\)](#)

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

3

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. Since 2013, we have been continuously expanding our occupational health, safety and prevention efforts through a circular model to assess risks. The findings provide the basis for developing and implementing relevant measures together with employees and managers. These range from preventative measures such as professional advisory services to qualification measures, such as dealing with workloads, and campaigns to promote exercise. 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 in 2018 to further improve the quality of findings while supporting the risk assessment process. This makes the processing of such risk assessments more effective and more efficient.

**GRI 404 Training and Education**

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)            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>Commerzbank also uses a range of other HR management tools, such as target and performance assessments, performance evaluations, agreements on targets and, from 2020, the Development Dialogue. These tools are a means of gauging how an employee is doing and, if the employee in question receives variable performance-based pay, 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.</p> <p>Training and education targets can be found in the <a href="#">Sustainability Programme</a> under "Employees: Training and development".</p>	6	<u>5, 8, 10</u>
<b>404-1</b>	<p><b>Average hours of training per year per employee</b>            We are unable to report on the hours of training for the year 2018, as the complete data is not available. This is due to a change in the data recording system. We are currently working on collecting the data and will resume reporting from 2019 on.</p> <p><a href="#">Average number of hours spent on training and development per employee and by gender</a> (PDF, 31 kB)</p> <p>Of the 30,566 people employed by Commerzbank AG Germany as at 31 December 2018, 691 were in vocational training (513 were apprentices and 178 were students of dual degree programmes). In the reporting period, we hired 294 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 218 of the apprentices and students of dual degree programmes (71.2%) who applied after they had finished their training, offering them promising career opportunities at the Bank. As at 31 December 2018, the Bank also employed another 189 people as trainees and 314 students who belonged to the Commerzbank study group. In 2018, 125 people completed internships at Commerzbank as part of their studies.</p> <p><a href="#">Apprenticeships at Commerzbank AG (Germany)</a> (PDF, 28 kB)</p>	6	<u>5, 8</u>
<b>404-2</b>	<p><b>Programs for upgrading employee skills and transition assistance programs</b>            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. It is just as important to ensure that employees are suitably qualified to accompany the transformation</p>		<u>8</u>

of the banking industry as a result of digitalisation and to systematically develop their skill sets. For this purpose, the Commerzbank Academy offers a large number of qualification components through numerous seminars, workshops and e-learning programmes within its broad range of development offerings. International units have their own range of services outside of the learning platform.

The Commerzbank Digital Campus is the engine behind the Bank's transformation into a digital technology company. Training is provided on the job as well as through seminars. Employees who attended the Digital Campus played a key role in streamlining the development and implementation of digital projects in 2018.

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, including the corresponding qualification components.

<b>404-3</b>	<b>Percentage of employees receiving regular performance and career development reviews</b>	6	<u>8</u>
<p>Career development has so far been structured at Commerzbank by way of the Competence Dialogue. This system is currently under review and being coordinated with employee committees, and is set to be replaced by the Development Dialogue from 2020. 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. In 2018, employees were 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>			

## GRI 405 Diversity and Equal Opportunity

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3) Diversity and inclusiveness are key principles at Commerzbank. Non-discrimination, development, diversity and inclusion are now an important part of our HR strategy. Only in an atmosphere of mutual tolerance and respect are we in a position to achieve our goals.</p> <p>The Global Diversity Council is the central strategic entity, and its meetings are chaired by the member of the Board of Managing Directors responsible for HR. The involvement of all divisions and support from regional councils makes it possible to take country-specific needs and differences into account. In 2018, "Religion, belief, worldview" joined the existing areas of action: "Work/life balance", "Equal opportunities and gender diversity", "Sexual orientation and identity", "Generational diversity", "Cultural diversity" and "Inclusion of employees with disabilities". Commerzbank joined the Unternehmensforum zur Inklusion e.V. on 1 January 2017. In July 2018, we became the first bank in Germany to publish an Action Plan for Inclusion based on the UN Convention on the Rights of Persons with Disabilities. Under this action plan, we have committed to implementing major goals and measures by 2023 to improve the situation for people with disabilities at Commerzbank. These measures include those</p>	1, 6	<u>5</u> , <u>8</u>

affecting employees as well as those centred on customers and suppliers of the Bank. The Global Diversity Council, the central representative council of severely disabled persons (GSBV) and the accessibility working group are working on ensuring that our buildings and our digital services are fully accessible. The process for ordering practical resources for employees with disabilities has been significantly simplified. The motto of Germany's Diversity Day in 2018 was "inclusion of people with disabilities", which the Bank marked with a full week of activities with information events.

For more than two decades we have been steadily expanding our activities around combining family and work life and we provide our employees with targeted offerings for all stages of life, including with modules that can be used in combination when caring for relatives. Commerzbank has held "audit workandfamily" certification since 2000 and received the certificate for the sixth time in 2018. In addition, the Bank received the Total E-Quality award for equal opportunities for the eighth time. This certificate is aimed at companies that work voluntarily, sustainably and systematically towards establishing equal opportunities. A study of 160 companies, from small enterprises to DAX-listed companies, commissioned by Brigitte magazine also revealed that Commerzbank is among the top employers for women.

A high degree of flexibility in terms of time and mobility is a key factor in implementing the transformation of the working world at the company. To make it easier for our employees to combine family life with a career, Commerzbank offers employees various part-time models and options, such as limited-period "trial part-time working" and job sharing. This is where one position is divided between two part-time employees. The percentage of part-time employees has risen constantly in recent years, from 21.0% at the end of 2011 to 28.6% at the end of 2018.

Our sabbatical options offer opportunities to take a longer period of time off work (up to six months). For this reason, we have concluded a works agreement that allows time to be "saved" and used for extended breaks. In 2018, some 150 employees took a sabbatical. Staff also have various opportunities to make the location of their workplace more flexible.

We also provide company-sponsored childcare and extensive support for those employees caring for relatives. This is based on our care-related works agreement, which was concluded for the entire Bank in 2015. The Bank offers approximately 320 childcare places throughout Germany. By offering longer hours than municipal childcare centres, even during school holidays, we provide a far more attractive level of service for many parents who work at the Bank.

Commerzbank's emergency and holiday care was used by a total of 674 children on 4,482 days in 2018, significantly easing the burden on parents working at the bank during strikes at the municipal childcare centres they otherwise use, for example. For each child, the Bank covers the cost of 20 days of emergency care per year.

The employee networks that again held presentations in workshops such as at the sixth Diversity Day in June 2018 are firmly established. Around 1,500 employees in total are involved

with Arco (LGBT), Courage (women), Focus Fathers, Horizont (burnout), Cross Culture (intercultural), Ideal (employees with disabilities), the Christian network Ichthys and Network Care. These networks organise their own events and projects to raise awareness of their existence and what they do. 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 workshop on family negotiation processes was once again held in 2018. The workshop gives couples the opportunity to work with a coach to reach agreements on the division of responsibilities for chores within the family, for example The percentage of fathers at Commerzbank who take paternity leave stood at 19.5% in 2018 (2017: 19.2%). The average parental leave in 2018 was 8.7 months for women and 2.1 months for men.

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

#### **405-1 Diversity of governance bodies and employees**

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Although a small majority of the Commerzbank staff is female (approximately 51%), women are not yet represented at management level to the same extent. For this reason, over the past years the measures designed to promote a good work-life balance have been further improved in order to open up fresh career opportunities for women, in particular. They include the expansion of childcare offerings, innovative part-time working models, including for managers, and a Bank-wide mentoring programme.

Measures to encourage this, both for new recruits and for women who already work for the Bank, were further pursued according to plan in 2018, e.g. in the form of career days. Additional measures for promoting women at the Bank include workshops as part of the Diversity Forum, programmes such as Keep in Touch (10% to 20% part-time work for up to twelve months after the birth of a child) and a guaranteed return to work after parental leave. Keep in Touch in particular has developed into a successful part-time option. A total of 227 employees, including men, took advantage of the programme in 2018. The Management Experience programme offers staff the opportunity to try out being a manager or a project manager in temporarily vacant positions.

In this way Commerzbank has increased the proportion of women in leadership positions to more than 30% Group-wide. The next goal the Bank has set itself is to achieve a proportion of 35% across all management levels by the end of 2021; the 2018 figure in the Group was 30.8%. At Commerzbank AG Germany, the proportion of female managers fell slightly to 28.0% in the year under review due to the ongoing headcount reduction (previous year: 28.6%). All divisions of the Bank are explicitly tasked with actively approaching suitable female employees during the



recruitment process. The aim is to further increase the proportion of female candidates for management positions when filling new positions. Conversely, male candidates should be approached if a management position only attracts female applicants.

Further information on the proportion of women on the Supervisory Board and Board of Managing Directors and at the first and second levels of management beneath them can be found in the [Annual Report 2018](#) on pages 5 and 16 et seq. as well as in the Corporate Governance Report (pp. 23 et seq.).

[Proportion of female employees at Commerzbank AG \(Germany\) by management level](#) (PDF, 34 kB)  
[Commerzbank AG \(Germany\) workforce by age and gender](#) (PDF, 26 kB)

In 2018, the Bank was legally obliged to provide 1,546 positions for severely disabled employees. With 1,751 positions being filled by persons with severe disabilities – which corresponds to 5.66% of total positions at Commerzbank AG Germany – the Bank exceeded the legal requirement of 5% for the fifth year in succession.

<b>405-2</b>	<b>Ratio of basic salary and remuneration of women to men</b> An overview of the salary structure at Commerzbank is best presented via pay-scale brackets, as individual salary details are protected as confidential information and there are corresponding restrictions on disclosing such information, including for statistical analysis by gender or other diversity criteria. The following table shows a breakdown for Germany of the number of employees in each pay-scale bracket by gender:  <a href="#">Salary structure of Commerzbank AG (Germany)</a> (PDF, 28 kB)	6	<u>5,</u> <u>8,</u> <u>10</u>
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## GRI 406 Non-discrimination

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)  All forms of discrimination undermine human rights. Neither discrimination against 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 existing complaints procedures without fearing that they will be singled out for retaliation. The employees affected are also entitled to use the Employee Assistance Programme (EAP). In addition, the works agreement on fair conduct based on partnership at the workplace contains comprehensive information and guidelines for managers and staff at Commerzbank on how to deal with discrimination.</p> <p>We view it as our duty to react quickly to each and every instance of discrimination and harassment. For many years, however, our approach to diversity management has gone a major step further by focusing our support on employee groups that have</p>	6	<u>10</u>

experienced discrimination in society, especially in the past. Our employee networks for women at the Bank (Courage) and for gay, lesbian and transgender staff (Arco) are among the largest within the company and make an important contribution to a culture of tolerance and integration. The inclusion of people with disabilities is also a firm fixture of our diversity strategy (see GRI 405-103).

Diversity Management encourages support for diversity at the company through innovative measures, workshops and information events. 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).

<b>406-1</b>	<b>Incidents of discrimination and corrective actions taken</b> Employees who are found guilty of misconduct related to discrimination can expect Commerzbank to examine all of its options under labour law. In particularly serious cases where a criminal offence may have been committed, -Commerzbank will refer the case to the authorities. There were no such cases in 2018. In 2018, there were a total of 34 contacts for the overarching issue of bullying, discrimination and sexual harassment, which corresponds to just under 1% of the approximately 2,900 total EAP contacts in 2018.	6	<u>10</u>
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#### GRI 407 Freedom of Association and Collective Bargaining

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<b>Management approach</b> (including 103-1, 103-2, 103-3) Commerzbank is committed to upholding the core international labour standards of the International Labour Organization (ILO). The vast majority of Commerzbank Group employees work in member states of the European Union. These countries have already enshrined the standards of the ILO in their laws, and Commerzbank implements these national legal requirements as a matter of course, including the freedom of association laid out in Article 9 of the Basic Law for the Federal Republic of Germany (Grundgesetz). As a company domiciled in Germany, Commerzbank is furthermore bound by the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises. Commerzbank has also participated in the 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	<u>8</u>
<b>407-1</b>	<b>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</b> Employee/employer cooperation at Commerzbank is based on mutual respect and trust. Works agreements reached by the employee and employer representatives take account of the Bank's aims as well as the employees' social needs. This will continue to apply in the future. The Bank is not aware of any instances in which Commerzbank's business activities or units did not respect freedom of association or the right to collective bargaining at collective bargaining or works constitution level.	3	<u>8</u>

We also expect our suppliers to respect freedom of association and have included this in the sustainable procurement standard

#### GRI 414 Supplier Social Assessment

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<b>Management approach</b> (including 103-1, 103-2, 103-3) See 308-103.	2	<u>12</u>
<b>414-1</b>	<b>New suppliers that were screened using social criteria</b> See 308-1.	2	<u>12</u>
<b>414-2</b>	<b>Negative social impacts in the supply chain and actions taken</b> 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	<u>12</u>

#### GRI 415 Public Policy

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<b>Management approach</b> (including 103-1, 103-2, 103-3) In the interest of its customers, and to facilitate long-term planning, Commerzbank also holds ongoing discussions with national and international regulators, supervisory authorities and decision makers in the political arena so it can work towards clarity and consistency in the regulation of products and services. 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 and an employee at the Institute of International Finance (IIF) in Washington. Commerzbank is listed in the <u>EU's transparency register</u> and reports on activities, active persons and annual contributions within the EU 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'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	<u>16</u>
<b>415-1</b>	<b>Political contributions</b> In accordance with its Group-wide donation policy, Commerzbank	10	<u>16</u>

does not make donations to political parties, affiliated institutions or politicians.

## GRI 417 Marketing and Labeling

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3) For us, fairness towards the customer means that we provide comprehensive and readily understandable advice on financial products, their risks and possible alternatives guided by the customer's long-term needs together with transparent and readily understandable documentation of the advisory process.</p> <p>Commerzbank pursues its aspiration to provide fair and competent advice through the CustomerCompass financial planning software. The associated advisory process, where the specific requirements of a retail or corporate customer lead to customised solutions and financial plans, has received multiple awards, most recently in the national "Best Local Bank" test, where it was the overall winner in 2018. Commerzbank was also awarded a prize by the magazine Euro for being "Germany's Best Branch Bank".</p> <p>In recent years, Commerzbank has also introduced new products and services that are particularly beneficial to customers. These include free current accounts, accounts with a satisfaction and security guarantee or the mortgage app that customers can use to apply for a mortgage online. The <u>MoneyBaze</u> business portal offers educational content specially targeted at entrepreneurs at all stages of development: from foundation and initial development through the growth phase and potential transfers.</p> <p>Measures to prevent payment fraud and the resultant losses are of great benefit for customers, as they make it possible to identify fraud attempts early on, minimising losses. For the form of fraud known as "CEO fraud" that tricks corporate customers into making payments, Commerzbank AG offers, among other things, training courses for customers in Germany and at selected European locations to address this issue.</p>	7	<u>12</u>
<b>417-1</b>	<p><b>Requirements for product and service information and labeling</b> As part of its efforts to inform its customers about the opportunities and risks of financial products, Commerzbank draws up suitability reports on its advisory meetings and provides customers with all relevant product information, including mandatory publications such as the product information sheet (PIB), key information document (KID) and key investor information document (KIID).</p>		<u>12</u>

## GRI 418 Customer Privacy

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3) Commerzbank Group can only be successful in the long term if its customers are satisfied. Our products and services are therefore designed to serve the interests of customers, and the Bank treats customer satisfaction as one of the most important metrics in evaluating its business success. As digitalisation increases,</p>		<u>12</u>

protecting customer data and upholding banking confidentiality obligations are a top priority.

The Commerzbank Security Board determines the Group's security strategy. International protection of data privacy is implemented through a governance model with defined roles and responsibilities, policies and directives, standardised processes and control mechanisms. The Group data protection policy forms the basis for the proper handling of personal data and customer-related information. It includes principles applicable Group-wide for the collection, processing, use and international transmission of personal data.

The data protection officers of Commerzbank provide assistance to the Bank's business units in Germany and abroad and monitor adherence to data protection provisions in compliance with the law. In 2018, this included in particular the new EU General Data Protection Regulation (GDPR). Record-keeping and accountability obligations are among the central concerns of the GDPR, which we meet through extended data protection documentation. We hold regular training events, such as mandatory tutorials on the protection of data privacy and on safety briefings as well as a seminar on data protection in practice and the offer of individual information events, to ensure that our employees remain sensitised to, and informed of, the issues surrounding the protection of data privacy and data security.

<b>418-1</b>	<b>Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	<u>12</u>
	In view of the fact that the Bank has around 18.8 million retail and small-business customers and more than 70,000 corporate customers including multinational corporations, financial service providers and institutional customers worldwide, the number of data protection complaints in 2018 was once again relatively low. For example, the data protection officer of Commerzbank AG in Germany received 434 customer complaints in the year under review. In most cases, the complaint was that customer data had been subject to unauthorised use or had come to the knowledge of third parties. However, the majority of complaints were found to be unsubstantiated. Some complaints were submitted directly to the data protection regulatory authorities. No cases of data theft were reported in 2018.	

## GRI 419 Socioeconomic Compliance

Nr.	Disclosure	UNGC	SDG
<b>GRI 103</b>	<b>Management approach</b> (including 103-1, 103-2, 103-3) Compliance with the law and applicable guidelines is the foundation of corporate responsibility. With that in mind, Commerzbank's Compliance division has wide-ranging authority and escalation rights, including powers to obtain information and carry out investigations. Our compliance efforts focus on defending against money laundering, terrorism funding, insider trading, fraud, corruption and other criminal activity within the scope of business operations. Moreover, we ensure the protection of insider information, other confidential data about our customers and their transactions and investor protection. Integrity and compliance form an integral part of our corporate culture and require every single person to act responsibly so that their activities are in line		<u>12</u>

with the relevant laws, voluntary commitments such as globally binding codes of conduct and internal directives.

With its cross-divisional "culture of integrity" project, Commerzbank instils in its employees what is important in their daily working lives: to act attentively, honestly and fairly in accordance with our ComWerte (corporate values). We are guided by these values, and they provide orientation in a dynamic environment. To promote conduct characterised by a high degree of integrity and reward employees who act as role models, Commerzbank created the Culture of Integrity Award in 2018. It is given to employees or teams who have distinguished themselves through their integrity and protection of customer and bank interests.

Moreover, in the year under review the Bank's consequences management was established globally in order to ensure that sanctions are applied as uniformly as possible to violations of rules and statutory or regulatory provisions in the Group. Misconduct by employees requiring at least a written warning is documented centrally. The anonymised evaluation of cases helps identify the types of misconduct that occur and which regulations or regulatory provisions have been violated.

<b>419-1</b>	<b>Non-compliance with laws and regulations in the social and economic area</b>	<b>16</b>
	In the reporting year, Commerzbank was not sentenced to pay any significant fines. Information on ongoing legal proceedings as at the end of 2018 can be found in the <u>Annual Report 2018</u> (pp. 136 – 137).	

## 4. Sustainable Finance

### 103 Management approach

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
<b>GRI 103</b>	<p><b>Management approach</b> (including 103-1, 103-2, 103-3)</p> <p>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. Moreover, there is growing interest from investors and customers in sustainable investment opportunities. This is why we are developing products and services that take account of these changes while offering a social or ecological benefit. At the same time, we want to prevent our business activities from having a negative impact on the environment and on society and avoid or mitigate any resultant risks. This process is assisted by the Sustainable Finance Committee, a committee set up to bring together departments and activities connected with sustainable finance within Commerzbank. Through the work of this committee, the Bank aims to actively support international transformation processes and open up new, innovative business areas (see also pp. 10 et seq. in the <u>Corporate Responsibility Magazine 2019</u>). Interdisciplinary cooperation enables and promotes the exchange of information across the Group, which supports the development of new sustainable offerings and the</p>		

improvement of existing ones.

Reputational Risk Management, which is of particular importance in terms of increasingly establishing sustainable finance at Commerzbank, is also represented on this committee. It sets out the guidelines and boundaries for business activities by assessing transactions, products and customer relationships in differentiated manner. Particular focus is placed on reviewing the compatibility of financing activities with the Bank's sustainability principles, which are defined in related positions and directives on environmental and social risks. This also includes a detailed position on promoting and respecting human rights among our employees as well as at suppliers and customers (see 407/103), which is published on the internet.

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

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. It 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 differentiated evaluation. The evaluation takes place using a five-point scale and can lead to the product, transaction or business relationship in question being rejected.

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 management of reputational risk is also part of Commerzbank's overall risk strategy (for further information please see the Group Risk Report, pp. 107 et seq. of the Annual Report 2018). A Divisional Board Member is always involved in all transactions and business relationships with significant reputational risk. Serious cases may lead to escalation involving the Board of Managing Directors. As part of reporting, all material and high reputational risk votes are presented to the full Board of Managing Directors and the Supervisory Board's Risk Committee on a quarterly basis.

In 2018, Commerzbank developed and published online a framework for managing environmental and social risks in core business. In this document, we describe in detail the manner in which we manage these risks. The framework also details all sector-specific requirements, such as those relating to mining, energy, oil or gas. Cross-sectoral requirements include human rights and indigenous populations. General exclusion criteria have also been defined for

particularly critical sectors. As an example, Commerzbank does not finance the construction of any new coal-fired power plants or any projects with a link to fracking or oil sand mining.

Employees are sensitised to the commercial relevance of non-financial issues in a quarterly newsletter, among other things. For example, due to the great importance of the energy sector in reputational risk management, one issue in 2018 was dedicated to the risks of oil and gas produced through fracking and from tar sands. On top of this, presentations are held at selected locations and a continuous exchange takes place with the front office in the course of the evaluation processes and discussions of issues.

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 reputational risks on a qualitative basis. To continue developing its reputational risk management, Commerzbank monitors issues of potential environmental and social relevance on an ongoing basis and checks how they may be embedded in the Bank's internal processes and evaluation criteria. For example, Reputational Risk Management published a position on tobacco in the framework for managing environmental and social risks in core business in February 2019. All sensitive issues, positions and directives are reviewed regularly and updated as necessary. The credit decision and reporting processes are also updated if required.

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

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

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

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. This allows customers to benefit from favourable conditions of development loans when it comes to financing energy efficiency projects. With a share of around 9% in KfW's commercial energy efficiency programmes (at the end of 2018), Commerzbank is one of the leading banks in Germany in using public-sector funding for such investments by small and medium-sized enterprises.

In retail banking, Commerzbank focuses on responsible lending. This



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

### SF1 Products and Services designed to deliver a specific Social Benefit

Nr.	Disclosure	UNGC	SDG
<b>SF1</b>	<p><b>Products and services designed to deliver a specific social benefit</b></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 2.6 billion euros in 2018.</p> <p>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 subsidised "Riester" products and basic pension covers worth a total of around 196 million euros were signed in the reporting year. Commerzbank's portfolio targeting precautions that customers can take include products for risk protection, such as term life insurance and occupational disability insurance, as well as additional products for establishing a pension provision plan (private pension). Demand is mainly for security-oriented provision plans in investments.</p>	1-6	<u>1</u> , <u>11</u>

### SF2 Products and Services designed to deliver a specific Environmental Benefit

Nr.	Disclosure	UNGC	SDG
<b>SF2</b>	<p><b>Products and services designed to deliver a specific environmental benefit</b></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 "sustainable finance", stakeholders 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 (see also pp. 10 et seq. in the <a href="#">Corporate Responsibility Magazine 2019</a>). 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>Sustainable Finance is not a new issue for Commerzbank: Corporate and project finance along the entire value chain of renewable</p>	7-9	<u>7</u> , <u>12</u> , <u>13</u>

energies has been part of Commerzbank's portfolio since the 1980s. The core business of Commerzbank's Center of Competence (CoC) Energy with its sites in Hamburg and New York is the global provision of finance to wind and solar parks operated by institutional investors, municipal utilities, energy groups or private investors. Today we number among the main financiers of renewable energies in Europe and continue to drive internationalisation forward. Among other things, our first project financing transaction in Latin America – for a combined photovoltaic and solar thermal power plant in Chile – was successfully completed in 2018. In addition, 2018 saw the CoC Energy assist three new offshore wind parks in European countries outside Germany as a syndicate leader and hedging bank. The CoC Energy's exposure at default amounted to approximately 4.6 billion euros in 2018 (2017: 4.6 billion euros).

#### Project financing of renewable energies by technology (PDF, 34 kB)

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

In 2007, the former Dresdner Kleinwort was the syndicate leader of the world's first green bond. Since then, we have supported a large number of customers in preparing and issuing green bonds. In 2018 alone, Commerzbank was lead manager in the issuance of 20 green and social bond transactions. The total volume of all green and social bonds whose issuance Commerzbank accompanied in 2018 comes to 11.4 billion euros (2017: 5.8 billion euros). We also cooperate with industry associations and interest groups and thus help actively shape the development of the market. As a participant 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.

In October 2018, the Bank issued its first own green bond with a volume of 500 million euros and a term of five years. The order book with a volume of more than 1.1 billion euros shows that investor interest is considerable. The bond was developed on the basis of the Green Bond Principles, a market standard which provides a high degree of transparency as to how the funds are actually used. On this basis we have earmarked the bond proceeds for loans for onshore and offshore wind projects and solar projects in Germany, other European countries, and North and South America. With an installed capacity of just under 462 megawatts, the projects refinanced by means of the bond save around 755,200 tonnes in CO<sub>2</sub> emissions each year. The Second Party Opinion of sustainability rating agency Sustainalytics confirms that the bond fulfils the requirements of the current Green Bond Principles.

The range of sustainable and therefore also green investments is also becoming a more important factor in the Private Customers segment. Thanks to strategic partnerships with selected investment fund providers, we offer sustainable investments in products such as bonds and stock or pension funds in areas such as climate protection, solar energy and wind energy. At the same time, our processes guarantee that investments in controversial areas such as the arms industry or direct investments in agricultural commodities are not

possible.

To attract additional customers to this investment opportunity, Commerzbank organised a special campaign between January and October 2018, which gave clients an opportunity to invest in two selected sustainability funds with no profit share, based on the offering premium, through the online banking portal and in branches for a limited period of time each.

Commerzbank also supports conservation projects in Germany through its "Paperless and happy" initiative. Launched in October 2018 in conjunction with the charitable organisation Bergwaldprojekt e.V., we replant one square metre of forest in Germany for each electronic mailbox activation. The electronic mailbox system also saves paper and CO2. At the end of 2018, around 120,000 customers had already activated their mailboxes.

### SF3 Assets subject to Positive and Negative Environmental or Social Screening

Nr.	Disclosure	UNGC	SDG
<b>SF3</b>	<p><b>Assets subject to positive and negative environmental or social screening</b></p> <p>Commerzbank offers its customers an increasing number of investment opportunities in the growing market of responsible investments. For example, it distributes sustainability funds from various providers to private and institutional customers. The in-house fund Global Stocks – Catholic Values allows investors to participate in the performance of an international stock portfolio based on the MSCI Catholic Values Custom Index. At the end of 2018 this fund received the seal of approval from Forum Nachhaltige Geldanlagen (FNG, Forum Sustainable Investment) for the third time in a row (see <a href="#">sustainability website</a> for details).</p> <p>For quite some time now, foundations and churches have no longer been the only ones interested in investing their money sustainably. Private investors also increasingly expect the companies they invest in to act in an ethical and environmentally conscious manner. Wealthy private individuals and corporate customers can agree tailored sustainable asset management with Commerzbank where investments are made particularly in individual equities with a high sustainability rating which also do not contravene specific exclusion criteria. The Bank has set itself the goal of tripling the percentage of sustainable investments in the total volume of assets managed by Asset Management for retail banking by 2020 versus the 2017 level. This percentage had almost doubled by the end of 2018, with the Bank therefore being on track to achieve its target.</p> <p>The Commerzbank Group also takes sustainability aspects into account for its German occupational pension plan: asset managers selected for the Bank's pension plan must have signed the UN Principles for Responsible Investment (PRI).</p> <p>Commerzbank ceased proprietary trading in its investment banking activities in 2004. 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 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.</p>	1-10	<u>10</u>

Commerzbank places great importance on investing in sustainable bonds and intends to increase the share of such investments in its portfolio moving forward.

#### SF4 Active Ownership

Nr.	Disclosure	<u>UNGC</u>	<u>SDG</u>
<b>SF4</b>	<b>Active ownership</b> 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. There are no voting policies on environmental or social issues for the other companies in the investment portfolio because such matters form part of the core 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]).		<u>12</u>

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