



COMMERZBANK

Transformation Net-Zero

Sustainability Report 2023



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Imprint



Foreword

Dear Sir / Madam,

Let's take a look at the past year and the current state of affairs: the global community is facing multiple and far-reaching challenges. The German economy in particular, which benefits so much from free global trade, is experiencing a multitude of trials and tribulations.

The ever more tangible climate change, Russia's devastating war of aggression against Ukraine, the escalation in the Middle East and the resulting attacks on international merchant ships, and tensions over Taiwan, are only a few of the current challenges. In addition, we are seeing increasing protectionism tendencies of individual states as well as societal polarisation. In Germany, home-made structural deficits, such as bureaucracy, long decision-making processes and a shortage of skilled workers are slowing matters down even further. There is an urgent need for action when it comes to infrastructure. This applies to the state of railway tracks, bridges and roads, but also to our digital infrastructure. The population is grappling with an increasing sense of uncertainty. Even as the economy is slowly recovering and interest rate cuts are once again part of the central banks' repertoire, inflation is not yet a thing of the past. This presents an enormous challenge for the financial sector. This is precisely the time when a resilient bank with a solid, forward-looking business model is required. A bank that stands firmly by its customers and is able to withstand difficult circumstances.

When we furthermore talk about the impending major transformation of the economy into a sustainable future, it is our joint responsibility to address these issues, provide support and offer solutions. We want to be THE bank for Germany at the side of our customers, supporting them and guiding them through the transformation. Despite all the challenges.

Sustainability has been an integral part of our corporate strategy since 2020. Our current strategy "Moving Forward" is based on three pillars: growth, excellence, and responsibility. Responsibility represents the entire sustainability spectrum of "Environment, Social and Governance (ESG)". Our sustainability work is guided by the United Nations Sustainable Development Goals (SDGs) as well as by the UN Global Compact and its ten fundamental principles of human rights, working conditions, the fight against corruption and environmental protection. The Paris climate agreement, with the aim of limiting global warming to well below two degrees Celsius and directing financial flows specifically into the green transformation, provides a further basis of our sustainability efforts.

To this end, we are constantly expanding our range of innovative, environmentally friendly products and our sustainable solutions for customers. Simultaneously we are also driving forward the sustainable transformation within Commerzbank.



Dr. Manfred Knof
Chairman of the Board
Commerzbank AG

At the core of our sustainability strategy is our commitment to becoming a net zero bank - which means, we want to reduce our own carbon footprint to net zero. With that in mind, we have set ourselves ambitious milestones and are pursuing these with consistency and conviction. For example, we are the first bank in Germany to have a seal of approval from the Science Based Targets Initiative, SBTi for short, for our medium-term CO₂ reduction targets, which we have defined for particularly emission-intensive sub-portfolios.

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Transparency is of central importance to us in order to achieve our goals. With the ESG Framework, we disclose all key building blocks of our sustainability strategy and are making sustainability a key performance indicator for our company.

The ESG framework also provides an overview of our minimum standards and exclusion criteria, such as those for arms-related transactions. The new policy, which has been in force since the beginning of 2023, now also explicitly regulates the approach in relation to surveillance technology.

In addition, we published a deforestation directive in December 2023. In doing so, we want to actively contribute to the protection of biodiversity: All corporate customers operating in sectors and regions with a high

risk of deforestation are obligated to demonstrate their commitment to preventing deforestation through relevant memberships and/or certifications by the end of 2025 at the latest.

In order to better meet challenges of the climate and biodiversity crisis, Commerzbank joined two further initiatives in 2023. By joining the Task Force on Nature-related Financial Reporting, TNFD for short, and taking the TNFD recommendations into account for the first time in our 2023 non-financial report, we are transparently disclosing the numerous natural opportunities and risks for our credit portfolio. By also joining the Partnership for Carbon Accounting Financials, PCAF for short, we switched our method of calculating portfolio intensities to the internationally recognised PCAF standard. This is an important step to further increase the transparency and comparability of our portfolio emissions.

Active inclusion of people with disabilities is inextricably linked to our sustainability strategy and an important part of our corporate culture. With our follow-up action plan Inclusion 2.0, we want to further improve the situation of people with disabilities at Commerzbank, because for us, inclusion is the key to innovation, respectful cooperation and joint growth.

Commerzbank is also committed to respecting human rights and aims to help promote and protect them within its sphere of influence, for example when interacting with employees, suppliers and customers. We have been emphasising this since joining the UN Global Compact in 2006. Our policy on human rights, which was updated in January 2023, explains our approach to the topic in detail and strengthens our responsibility in our core business.

It is particularly gratifying when our commitment to actively shape the sustainable transformation is also seen and recognised. The Commerzbank environmental

internship and our ESG framework won the German Award for Sustainability Projects 2023. From a total of 283 nominations, Commerzbank impressed the jury in the categories “Strategy - large companies” and “Information/Education”.

Finally, I would like to emphasise that we are proud of our milestones to date, which we discuss in detail in this Sustainability Report in accordance with the standards by the Global Reporting Initiative.

However, we do not want to rest on our laurels at all. Instead, our milestones are an incentive for us to continue moving forward the sustainable transformation despite the existing challenges.

With best wishes,

Yours



Manfred Knof

Chairman of the Board Commerzbank AG

Report in accordance with the GRI Sustainability Reporting Standards

This sustainability report of Commerzbank AG for the year 2023 is prepared in accordance with the GRI standards and covers all major developments of the bank in the year under review.

The selection of material topics we report on was based on a materiality analysis carried out in 2022.

This report also serves as our annual Communication on Progress regarding our implementation of the United Nations' Global Compact (UNGC). Its ten principles for human and labor rights, environmental protection and anti-corruption as well as the Sustainable Development Goals of the United Nations form the basis of our sustainability work.



1 General Disclosures

GRI 1

Foundation 2021

Commerzbank Aktiengesellschaft (AG) has reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 2-1

SDG 9

Organizational details

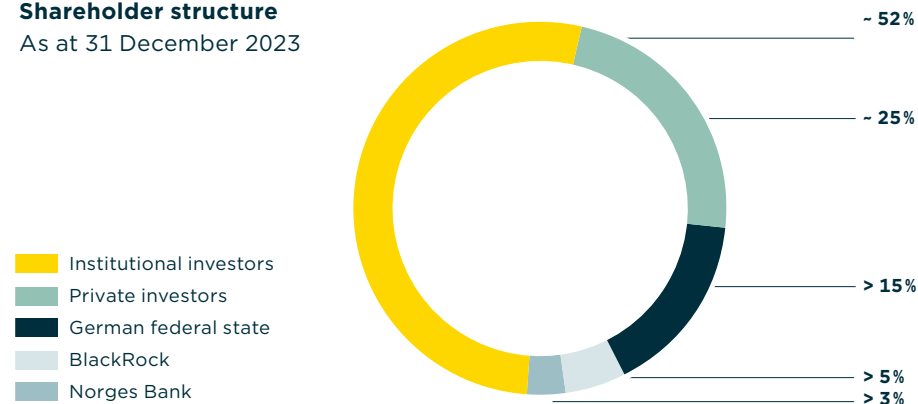
Commerzbank AG is a public limited company under German law, a so-called “Aktiengesellschaft”. Commerzbank AG is headquartered in Frankfurt am Main in Germany and is present on all continents.

On the domestic market, Commerzbank Aktiengesellschaft is headquartered in Frankfurt am Main, from where it manages its branch network and its advisory centre. Its most important German subsidiary is Commerz Real AG. Outside of Germany, as at the reporting date Commerzbank has – including through mBank in Poland – 4 material subsidiaries, 15 operational foreign branches and 27 representative offices in over 40 countries and is represented in all major financial centres, such as London, New York, Tokyo and Singapore. In these locations we offer tailor-made solutions for local corporate and institutional customers and support local export-oriented companies worldwide. However, the focus of the Bank’s international activities is on Europe. For details on Commerzbank’s global presence, please see the [Annual Report 2023](#) (rear jacket).

As at 31 December 2023, around 40% of Commerzbank shares were held by the Federal Republic of Germany and our mostly German-based private shareholders. Consequently, as at end-2023 around 60% of all Commerzbank shares were held by institutional investors, including in particular BlackRock with just over 8% and the Norwegian state, which holds a stake of around 3% via Norges Bank. The free float stood at around 84%.

Shareholder structure

As at 31 December 2023



GRI 2-2

Entities included in the organization's sustainability reporting

This sustainability report in accordance with the standards of the Global Reporting Initiative (hereinafter also referred to as GRI report) applies in principle to the Commerzbank AG in Germany and abroad. Where exceptions have been made, these are indicated accordingly in the respective places.

Due to the limitation to Commerzbank AG, this GRI report differs from the financial and non-financial reporting in the [annual report](#), which considers both Commerzbank AG and the Commerzbank Group.

The financial performance indicators illustrated in this GRI report (specifically referring to [GRI 2-6](#)) are taken from Commerzbank's [Annual Report 2023](#) and are, as such, compiled at Group level. For a list of all entities included in the [Annual Report's](#) scope of consolidation, please see pp. 386–389 in that report.

GRI 2-3

Reporting period, frequency and contact point

All figures in this sustainability report relate to the period from 1 January to 31 December 2023. The reporting period of this GRI report corresponds to the reporting period of the financial and non-financial reporting in Commerzbank's [annual report 2023](#). Here, too, the entire fiscal year 2023 is being considered for reporting purposes. Information beyond the reporting period is marked with the respective date in the appropriate place.

The editorial deadline for this sustainability report was 9 July 2024.

Since reporting year 2014, Commerzbank has released an annual update of this sustainability report. All previous reports are available on the [sustainability website](#).

Contact point for questions regarding the report:

Commerzbank AG
Celina-Colleen Hopf
Group Sustainability Management
nachhaltigkeit@commerzbank.com

Further information on environmental protection, treatment of employees, social responsibility, respect for human rights and the fight against corruption and bribery can also be found within our combined separate non-financial report prepared in accordance with the requirements of the German Act on Strengthening Corporate Non-Financial Reporting (CSR-Richtlinie-Umsetzungsgesetz, CSR-RUG).

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GRI 2-3

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In the non-financial report, we take into account the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), of which we have been a member since 2020. This year, we are also aligning ourselves for the first time with the requirements of the Taskforce on Nature-related Financial Disclosures (TNFD), which we joined in April 2023. We have also included information required by the Taxonomy Regulation of the European Union (EU) in the non-financial report. Our progress report on the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI) is also integrated into the non-financial report and summarised as a tabular index at the end of the report.

The combined separate non-financial report for the 2023 financial year was published as part of the [annual report 2023](#) and can also be viewed separately in the [sustainability portal](#).

GRI 2-4

Restatements of information

Whenever possible, the information has not been presented using a new set-up, in order to facilitate a comparison with the previous year. We indicate any restatements of figures we reported in the past in footnotes.

GRI 2-5

External assurance

An external verification of the full sustainability report in accordance with the standards of the Global Reporting Initiative, or GRI report for short, has not been performed.

The [combined separate non-financial report](#) for Commerzbank Aktiengesellschaft and the Commerzbank Group as of December 31, 2023, in which we provide further information on the Bank's sustainability activities, was subject to a limited assurance engagement performed by the auditing firm KPMG in accordance with ISAE 3000 (Revised). The report on the engagement can be found in the Group's [Annual Report](#) under "Further information". The information in the progress report on the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI) was reviewed by the auditing firm KPMG as part of the audit (limited assurance engagement) of the non-financial report. The Audit Committee and the Supervisory Board also discussed the report as well as the audit of the non-financial report carried out by KPMG (see also [GRI 2-14](#)).

Commerzbank AG has an [ISO 14001](#)-certified environmental management system in place since 2009, followed in 2015 by the [ISO 50001](#) certification of the energy management system. We have established an integrated environmental and energy management system (iUEMS) in accordance with our environmental guidelines, which defines the responsibilities, behaviour, processes and specifications for the implementation of the operational environmental and energy policy and documents these in a structured manner. The focus is on optimising resource consumption, particularly where we can have a direct impact on the environment, such as in building management and business trips.

We have our environmental data verified externally every year in accordance with ISO 14064-3. The [verification certificate](#) is published in our sustainability portal.

¹ External sources of documentation referred to in the combined separate non-financial report or the "Principles for Responsible Banking" progress report did not form part of the limited assurance engagement by KPMG.

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GRI 2-6

SDG 9

Activities, value chain and other business relationships

Commerzbank is the leading bank for SMEs (the Mittelstand) and a partner to some 25,500 corporate client groups and almost 11 million private and small-business customers in Germany. The Bank offers a comprehensive portfolio of financial services in two business segments – Private and Small-Business Customers and Corporate Clients.

In its corporate client business, Commerzbank focuses on German SMEs, large companies and institutional customers. In international business, the Bank supports clients that have a connection to Germany, Austria and/or Switzerland or belong to future-oriented industries. In the Private and Small-Business Customers segment, the Bank serves its customers through the Commerzbank and comdirect brands: via online and mobile channels, in the advisory centre and personally in its branches. The Polish subsidiary mBank is an innovative digital bank. As at 31 December 2023, mBank served around 5.8 million private and corporate customers, mainly in Poland but also in the Czech Republic and Slovakia.

The Commerzbank Group recorded an operating profit of €3,421m for the year under review, compared with €2,099m in the previous year. The consolidated profit attributable to Commerzbank shareholders and investors in additional equity components for the period under review was €2,224 m. Total assets of the Commerzbank Group as at 31 December 2023 were €517.2bn, compared with €477.4bn at the end of 2022. The 8.3 % increase resulted in particular from inflows of liquidity and an increase in collateralised securities repurchase transactions.

Key Performance Indicators Commerzbank Group	2021 ¹	2022	2023
Operating profit (€m)	1,183	2,099	3,421
Pre-tax profit or loss (€m)	105	2,005	3,403
Consolidated profit or loss (€m)	354	1,393	2,214
consolidated profit attributable to Commerzbank shareholders and investors in additional equity components (Mio. €)	430	1,435	2,224
Total assets (Ebn) ²	467.4	477.4	517.2
Equity as shown in balance sheet (Ebn) ²	29.8	30.9	33.0
Staff ²	46,218	41,909	42,098
of which Germany	31,939	28,349	27,925
of which abroad	14,279	13,560	14,173

¹ Figures partly adjusted retrospectively.

² Figures as at 31 December of the year in question.

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GRI 2-6

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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) as well as buildings, logistics and insurance (such as construction works, operational management of buildings and banking technology). Please see [GRI 308: 3-3](#) for information about the sustainability criteria.

A report on important staffing changes at management level and special business policy events during the past financial year and the first few weeks of the current year is provided below:

- There were changes in the composition of the Supervisory Board and the Board of Managing Directors during the year under review.
- Commerzbank has achieved further success and progress with its sustainability strategy. At the end of March 2023, its CO₂ reduction calculations were reviewed and validated by the Science Based Targets initiative (SBTi), one of the leading international standard setters, and the Bank has joined the Partnership for Carbon Accounting Financials (PCAF).
- The 2023 stress test conducted by the European Banking Authority and the European Central Bank (ECB) showed that Commerzbank is well positioned even under simulated stress conditions.
- The bank-specific capital requirements set by the ECB for 2024 as part of the Supervisory Review and Evaluation Process (SREP) also clearly confirm once again that Commerzbank is well positioned in terms of its capitalisation.
- In order to give its shareholders an appropriate share in its success, the Bank successfully completed its first share buyback programme in the year under review and launched another share buyback programme at the beginning of January 2024.
- At the beginning of the current year, Commerzbank decided on two investments in connection with the “Strategy 2027” programme published in November 2023. In addition to announcing a joint venture with Global Payments Inc., a leading global provider of financial technologies and software solutions, it agreed to acquire a majority stake in Aquila Capital Investment-gesellschaft mbH, an asset manager, in order to accelerate its growth in the sustainability business.
- The Bank also adapted its compliance function to the regulatory environment in the 2023 financial year.

These important staffing changes at management level and special business policy events can also be found in the [Annual Report](#) (pp. 188 et seq.)

GRI 2-7

SDG 8

Employees

23,811 people were employed at Commerzbank AG in Germany at the end of 2023. Another 3,815 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 724 employees. The majority of employees have permanent employment contracts. Around 29 % of our employees currently work part-time. The proportion of external employees at Commerzbank is not significant.

Total Workforce at Commerzbank AG Germany within the last three years (In number of employees)	2021		2022		2023	
	total	in %	total	in %	total	in %
Total number of employees of Commerzbank AG (Germany)	28,045	100	24,535	100	23,811	100
By Gender						
Female	14,268	50.9	12,252	49.9	11,850	49.8
Male	13,777	49.1	12,283	50.1	11,961	50.2
By region						
Frankfurt	10,101	36	9,029	36.8	8,795	36.9
Rest of Germany	17,944	64.0	15,506	63.2	15,016	63.1
By contract						
Permanent contracts	25,353	90.4	22,472	91.6	21,984	92.3
Fixed-term contracts	2,692	9.6	2,063	8.4	1,827	7.7
By employment						
with non-guaranteed hours employees	0	0	0	0	0	0
Full-time employees ¹	18,252	69.1	16,306	70.5	15,702	71.1
Part-time employees ¹	8,149	30.9	6,824	29.5	6,391	28.9
By type of employment						
Employees not on collectively agreed pay scale	15,746	56.2	14,620	59.6	14,004	58.8
Employees on collectively agreed pay scale ²	12,178	43.4	9,813	40.0	9,669	40.6
Non-salaried employees/ other	121	0.4	102	0.4	138	0.6

¹ Excluding trainees and interns

² Including apprentices

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GRI 2-7

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Total Workforce at Commerzbank AG Germany within the reporting year by region (In number of employees)	2023	
	total	in %
Total number of employees of Commerzbank AG (Germany)	23,811	100
Frankfurt	8,795	36.9
Eschborn	1,739	7.3
Hamburg	1,555	6.5
Rest of Germany	11,722	49.2
Permanent contracts	21,984	92.3
Frankfurt	8,339	35.0
Eschborn	1,648	6.9
Hamburg	1,432	6.0
Rest of Germany	10,565	44.4
Fixed-term contracts	1,827	7.7
Frankfurt	456	1.9
Hamburg	91	0.4
Eschborn	123	0.5
Rest of Germany	1,157	4.9
Full-time employees²	17,144	72.0
Frankfurt	6,993	29.4
Eschborn	1,238	5.2
Hamburg	995	4.2
Rest of Germany	7,918	33.3
Full-time employee²	6,667	28.0
Frankfurt	1,802	7.6
Hamburg	501	2.1
Eschborn	560	2.4
Rest of Germany	3,804	16.0

¹ Broken down by the three locations with the most employees in the 2023 reporting year. All other locations are listed collectively as "rest of Germany"

² Excluding trainees and interns

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Total Workforce at Commerzbank AG Germany within the reporting year by gender (In number of employees)		2023	
		total	in %
Total number of employees of Commerzbank AG (Germany)		23,811	100
Female		11,850	49.8
Male		11,961	50.2
Permanent contracts		21,984	92.3
Female		10,973	46.1
Male		11,011	46.2
Fixed-term contracts		1,827	7.7
Female		877	3.7
Male		950	4.0
Full-time employees¹		15,702	71.1
Female		5,653	25.6
Male		10,049	45.5
Full-time employees¹		6,391	28.9
Female		5,551	25.1
Male		840	3.8

¹ Excluding trainees and interns

Total Workforce at Commerzbank AG foreign branches (In number of employees)		2023	
		total	in %
Total number of employees of Commerzbank AG (foreign branches)		3,815	100
Female		1,271	33.3
Full-time employees		1,206	94.9
Part-time employees		65	5.1
Permanent contracts		92	7.2
Fixed-term contracts		1,179	92.8
Male		2,544	66.7
Full-time employees		2,495	98.1
Part-time employees		49	1.9
Permanent contracts		158	6.2
Fixed-term contracts		2,386	93.8

Governance structure and composition

Commerzbank AG applies the two-tier board system¹:

- Executive Level: the Management Board or Board of Managing Directors or Executive Board is concerned with the day-to-day running of the business of Commerzbank AG
- Control Level: the Supervisory Board, on which representatives of shareholders and employees are represented, supervises and advises the Management Board

The **Board of Managing Directors** of Commerzbank AG 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.

In addition, it sees that efficient risk management and risk control measures are in place. The Board of Managing Directors simultaneously manages the Commerzbank Group as the Group executive body on the basis of uniform guidelines and exercises general control over all Group companies. It conducts the Bank's business activities in accordance with the law, the Articles of Association, its rules of procedure, internal guidelines and the provisions of the relevant employment contracts. It cooperates on a basis of trust with Commerzbank AG's other corporate bodies, the employee representatives and the corporate bodies of other Group companies.

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. Further information can be found in the Report of the Supervisory Board (pp. 6 et seq.) and the Declaration of Corporate Governance (pp. 25 et seq.) in the [Annual Report 2023](#).

All ten shareholder representatives on the Supervisory Board, including the Chairman of the Supervisory Board, can be classified as "independent" pursuant to the German Corporate Governance Code. With regard to nominations for the election of Supervisory Board members, the Bank attaches particular importance to a diverse composition. The Supervisory Board has resolved a detailed profile of skills and expertise for its composition, which is presented in more detail in the disclosure [GRI 2-10](#) as well as in the qualification matrix on pages 29 to 31 in the [Annual Report 2023](#).

In order to perform its duties efficiently, the Supervisory Board has formed seven permanent committees from among its members. The composition of the Supervisory Board and the members of its committees as of 31 December 2023 are presented on pages 17 to 19 of the [Annual Report 2023](#), in accordance with recommendation D.2 of the German Corporate Governance Code.

Among other matters, the Supervisory Board advises and monitors the Board of Managing Directors with regard to sustainability issues. The Environmental, Social and Governance Committee – **ESG-Committee in short** – assists the Supervisory Board in assessing whether the management is ensuring the economically viable and sustainable performance of the Bank while also observing the principles of responsible corporate governance, fulfilling the Bank's social responsibility and at the same time conserving natural environmental resources. The ESG Committee also advises the Board of Managing Directors on ESG issues. The ESG-Committee generally meets four times a year. Together with the Audit Committee, it assists the Supervisory Board in the examination of the non-financial report.

¹ A structure used in certain European countries, such as Germany, to manage an Aktiengesellschaft, which comprises two tiers.

Nomination and selection of the highest governance body

The members of the **Board of Managing Directors** are appointed and removed by the Supervisory Board pursuant to Art. 84 of the German Stock Corporation Act and Art. 6 (2) of the Articles of Association. Before members of the Board of Managing Directors are appointed it must be demonstrated to the German Federal Financial Supervisory Authority (BaFin), the Deutsche Bundesbank and the European Central Bank (ECB) that they are fit and proper and have sufficient time available. Being fit and proper requires them to have sufficient theoretical and practical knowledge of the Bank's business and management experience (Art. 24 (1) no. 1, Art. 25c (1) of the German Banking Act (KWG), Art. 93 of Regulation (EU) No 468/2014 (SSM Framework Regulation)). Pursuant to Art. 6 (1) of the Articles of Association, the Board of Managing Directors must comprise a minimum of two people; otherwise, the Supervisory Board defines the number of members on the Board of Managing Directors in accordance with Art. 6 (2) of the Articles of Association. If there is a vacancy on the Board of Managing Directors for a required member and the Supervisory Board has not appointed a new member, in urgent cases one will be appointed by a court pursuant to Art. 85 of the German Stock Corporation Act (AktG).

In making appointments to the Board of Managing Directors, the Supervisory Board aims to increase diversity, particularly with regard to age, origin, education and professional background, and to give appropriate consideration to women. As a rule, the members of the Board of Managing Directors should not be over 65 years of age. In addition, the Supervisory Board ensures that the members of the Board of Managing Directors have a suitable range of educational and professional backgrounds.

The Board of Managing Directors currently consists of seven members: two women and five men. This means that the minimum proportions under Art. 76 (3a) of the German Stock Corporation Act (AktG) have been met and indeed exceeded, according to which a Board of Managing Directors consisting of more than three people must have at least one woman and at least one man among its members. The Supervisory Board will strive to continue to exceed the statutory minimum proportions in the future. The proportion of women on the Board of Managing Directors was 28.6% as at 31 December 2023. Where required by law, the Group companies have also set their own targets for the proportion of women on their management boards.

The Supervisory Board advises the Bank's management and supervises the conduct of its business. It is made up of equal numbers of representatives of the shareholders elected by the Annual General Meeting and representatives of the employees. It performs its functions both at plenary sessions and in separate committees.

The shareholder representatives on the Supervisory Board are selected in accordance with the criteria of the competence profile with a vote held by the Presiding and Nomination Committee to the Supervisory Board, which, in turn, submits relevant proposals to the Annual General Meeting. The representatives elected to the Supervisory Board by the employees should also fulfil the key criteria of this competence profile. If Supervisory Board members have to be appointed by the court, candidates who fulfil these criteria are proposed to the court.

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GRI 2-10

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The composition of the Supervisory Board should be such that, overall, its members have the necessary skills, expertise, experience and knowledge to be able to perform its duties properly. In particular, the Supervisory Board should have all the expertise and experience deemed essential for the activities of the Commerzbank Group.

In addition, the legal requirements with regard to special expertise and professional experience of individual members of the Supervisory Board in specific areas must be met (for example, expertise in the areas of accounting and auditing, including sustainability reporting and auditing thereof, as well as in the areas of risk management and risk controlling), and at least one member of the Supervisory Board should have special expertise in Environmental, Social and Governance (ESG) issues. The members of the Supervisory Board must be able to challenge and monitor the decisions made by the Board of Managing Directors. The members of the Supervisory Board should also be able to devote sufficient time to the performance of their duties. Members should be reliable, and consideration should be given to their commitment, personality, professionalism, integrity and independence. The target is that the Supervisory Board should always have at least eight members elected by the Annual General Meeting who are independent as defined in recommendation C.6 of the Code, and not more than two former members of the Board of Managing Directors of Commerzbank AG. The length of service of the Supervisory Board members elected by the Annual General Meeting should generally not exceed a period of 12 years. The term of office of a member of the Supervisory Board should generally end at the end of the Annual General Meeting following the member's 72nd birthday.

The Supervisory Board of Commerzbank AG consists of 20 members. The Supervisory Board aims to have a broad range of ages represented on the board. In addition, the Supervisory Board ensures a suitable range of educational and professional backgrounds among the members of the Supervisory Board, and that the Supervisory board has at least one international member at all times. The Supervisory Board also considers appropriate female and male representation when proposing candidates to the Annual General Meeting for election. The Supervisory Board is committed to exceeding the statutory minimum requirement for female and male representation of at least 30 % each. It must be borne in mind that the only way the Supervisory Board is able to influence its composition is by the candidates it proposes to the Annual General Meeting for election. The employee representatives on the Supervisory Board are also striving to exceed female and male representation of at least 30 % each among employee representatives in future.

In addition, a review must be carried out at regular intervals, at least once a year, to determine to what extent the members of the Supervisory Board meet the aforementioned criteria and to what extent the composition of the Supervisory Board is still in line with the aforementioned objectives.

A detailed description of the members' competencies of the Supervisory Board can be found in the qualification matrix on pages 28 to 31 of Commerzbank's [Annual Report](#) for the 2023 reporting year. This qualification matrix is based on a self-assessment by members of the Supervisory Board and confirms that all objectives set by the Supervisory Board with regard to its composition, as well as its profile of skills, had been implemented as of 31 December 2023.

Chair of the highest governance body

The composition of the Board of Managing Directors and the responsibilities of its individual members are presented on page five of the Annual Report 2023. The work of the Board of Managing Directors is specified in greater detail in its rules of procedure, which may be viewed on the Commerzbank website.

Coordination of segments and units with shared functions is incumbent upon the chairman of the Board of Managing Directors. He must endeavour to ensure that the conduct of the Bank's business is uniformly oriented to the objectives established by the resolutions of the Board of Managing Directors. The chairman of the Board of Managing Directors organises the cooperation of the Board of Managing Directors with the Supervisory Board.

Since 2021 Manfred Knof is Chairman of the Board of Managing Directors at Commerzbank AG.

The Supervisory Board elects a chairperson and deputy chairperson from among its members in accordance with the law (in particular pursuant to section 27 (1) and (2) of the German Codetermination Act [Mitbestimmungsgesetz]) and the Articles of Association of Commerzbank AG under the leadership of the oldest shareholder representative member of the Supervisory Board present. The people elected to these positions stay in these positions for as long as they are on the Supervisory Board.

The Chairperson of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings and represents the interests of the Supervisory Board externally. They determine the order of the meeting items and the type of voting. Together with the Bank's Investor Relations department, the Chairperson of the Supervisory Board held discussions with investors, proxy advisors and shareholder associations.

At the end of the Annual General Meeting on May 31, 2023, Helmut Gottschalk left the Supervisory Board of Commerzbank AG. Following the 2023 Annual General Meeting, Prof Dr Jens Weidmann was elected Chairperson of the Supervisory Board at the constituent meeting of the Supervisory Board. As was previously the case with Helmut Gottschalk, Prof Dr Jens Weidmann is an independent member of the Supervisory Board.

Role of the highest governance body in overseeing the management of impacts

We acknowledge the principles of responsible, transparent management as laid down in the German Corporate Governance Code and adhere to all the suggestions and virtually all of the recommendations it makes. Pages 25 to 35 in the [Annual Report 2023](#) give details of this aspect of our corporate responsibility.

The term “corporate social responsibility” describes the extent to which a company is conscious of its responsibilities whenever its business activities affect society, staff or the natural or economic environment. We accept this responsibility, and report on it starting on page 42 of the [Annual Report 2023](#).

The **Board of Managing Directors** is responsible for independently managing the enterprise. In doing so, it is obliged to act in the Company’s best interest and undertakes to increase the sustainable value of the Company. It develops the Company’s strategy, discusses it with the Supervisory Board and ensures its implementation.

With the [Group Sustainability Board](#), we are firmly anchoring the cross-cutting issue of sustainability in the organisation of our bank. The board is responsible for defining the bank’s strategic sustainability goals. These are derived from our sustainability strategy. In addition, it monitors the measures to implement and manage the targets. Furthermore, the divisions and segments report regularly on the progress of their sustainability activities and the implementation of regulatory sustainability requirements. The Group Sustainability Board is chaired by the Chairman of the Board of Management. In addition to the Chairman, the Board includes other members of the Board of Management, the executives of the segments and business units concerned with sustainability, and the head of Group Sustainability Management.

The **Supervisory Board** of Commerzbank AG advises and monitors the Board of Managing Directors in its management of the Bank and is directly involved in decisions of fundamental importance. The Supervisory Board discharges its responsibilities in accordance with legal requirements, the Articles of Association and its rules of procedure. It cooperates closely and on a basis of trust with the Board of Managing Directors in the interests of the Bank.

A particular focal point of the Supervisory Board’s work was to monitor implementation of the “Strategy 2024” programme. The Supervisory Board therefore received reports on the Bank’s strategic transformation on an ongoing basis. Another focus was on supporting the development of the “Moving Forward” strategy. The Supervisory Board was kept fully informed by the Board of Managing Directors about the ongoing development of the strategy and was involved in an advisory capacity. The Board of Managing Directors intensively discussed the Bank’s new strategic direction with the Supervisory Board and separately with the shareholder and employee representatives during a total of two strategy days in 2023. Strategic issues were also regularly discussed in the meetings.

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GRI 2-12

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The focus of all ordinary meetings was the Bank's current business position, which the Supervisory Board discussed intensively with the Board of Managing Directors. The Supervisory Board considered in depth the financial and business performance of the Bank and its business segments, the risk situation, the strategy and its implementation status along with the strategic transformation, planning, compliance and tax issues, regulatory audits, the risk management system, the internal control system and cyber risks. In 2023, ten Supervisory Board meetings were held. In preparation for these meetings, the shareholder representatives as well as the employee representatives on the Supervisory Board regularly held separate preparatory meetings. Details regarding the meetings can be found in the [Annual Report](#) (pp. 6 et seq.).

The ESG Committee also supports the Supervisory Board on ESG issues and generally meets four times a year (see [GRI 2-9](#)). The ESG committee addressed the sustainability strategy and management, the ESG framework and the status of regulatory requirements the 2023 financial year. The committee dealt with, among other things, biodiversity, the European Green Deal, the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), environmental risk control and the EU taxonomy. In addition, it discussed interim targets under the Science Based Targets initiative (SBTi) and received a report on the current status of employee training on the ESG principles at Commerzbank. It considered the Bank's sustainability reporting in detail as part of the preparation of Commerzbank's combined separate non-financial report and its external disclosure of climate and environmental risks. The committee also discussed the ESG objectives of the Board of Managing Directors.

Within the remuneration system for the Board of Managing Directors, the Supervisory Board linked Commerzbank's sustainability strategy to the variable remuneration of members of the Board of Managing Directors in a binding manner by adding an explicit ESG sub-target within the Group target, accounting for 20 % of Group target achievement. The Group target itself accounts for the majority (60 %) of variable remuneration for members of the Board of Managing Directors. Since the 2023 financial year, ESG-targets have thus been explicitly embedded in the variable remuneration system for all members of the Board of Managing Directors via the Group target. They complement any other ESG targets within the department and individual targets that may have already been in place in previous years.

The remuneration of the members of the Board of Managing Directors is presented in detail in the [remuneration report](#).

GRI 2-13

SDG 16

UNGC 7, 8

Delegation of responsibility for managing impacts

The **Board of Managing Directors** develops the Commerzbank Group's strategy, discusses it with the Supervisory Board and ensures it is implemented. Sustainability issues are included in the annual strategy process for the overall bank strategy and are discussed as required in meetings of the Board of Managing Directors. Each member of the Board of Managing Directors is responsible for implementing sustainability measures within their own divisional remit.

The **Supervisory Board** also advises and monitors the Board of Managing Directors on ESG issues.

To reflect the growing importance of sustainability for the Bank, the Supervisory Board established the Environmental, Social and Governance Committee (ESG-Committee) in 2022.

For details on the Supervisory Board's monitoring and advisory tasks with regard to sustainability issues, please refer to the sections [GRI 2-9](#) and [GRI 2-12](#).

The **Group Sustainability Board (GSB)**, chaired by the CEO and comprising other members of the Board of Managing Directors and divisional board members, is the supreme body for sustainability issues at Commerzbank. As a cross-divisional decision-making and escalation body, the GSB facilitates the sustainable alignment and holistic management of the Bank's business model in a sustainability context: The Group Sustainability Board sets the Bank's strategic sustainability targets and monitors the measures for their implementation and management. In addition, the divisions and segments report regularly on the progress of their sustainability activities and the implementation of regulatory sustainability requirements. With this Group Sustainability Board we have firmly embedded the wide-ranging issue of sustainability within the Bank's organization.

The **Group Sustainability Management** coordinates and develops sustainability activities as a focal point. The central sustainability management function reports to the Chairman of the Board of Managing Directors and regularly informs him about progress on sustainability issues and activities. The department is responsible for the ongoing development of the sustainability strategy. The board also sets standards for compliance with all key sustainability requirements and is responsible for the methodology and monitoring of sustainability key performance indicators (KPIs). It also ensures the implementation of strategic sustainability initiatives such as the Principles for Responsible Banking of the UNEP FI. The Group Sustainability Management unit's objectives are, among other things, to establish comprehensive governance alongside a holistic and long-term sustainability strategy and thus to further promote internal networking in this area. In doing so, Commerzbank is underlining the strategic importance of the topic of sustainability.

At the same time, the department manages the **"Sustainability 360°"** Group-wide programme and thereby coordinates the implementation of the sustainability strategy at Commerzbank. The customer segments, risk management and numerous other relevant Group divisions as well as Commerz Real are also part of this programme. The programme forms a platform for all sustainability activities and, in addition to closely linking overarching topics, also ensures that these are closely tracked and that a coordinated approach is taken. A **steering committee** consisting of members of the top management of the relevant divisions gathers on a bi-monthly basis to monitor progress. The status of the programme is regularly reported to the Board of Managing Directors.

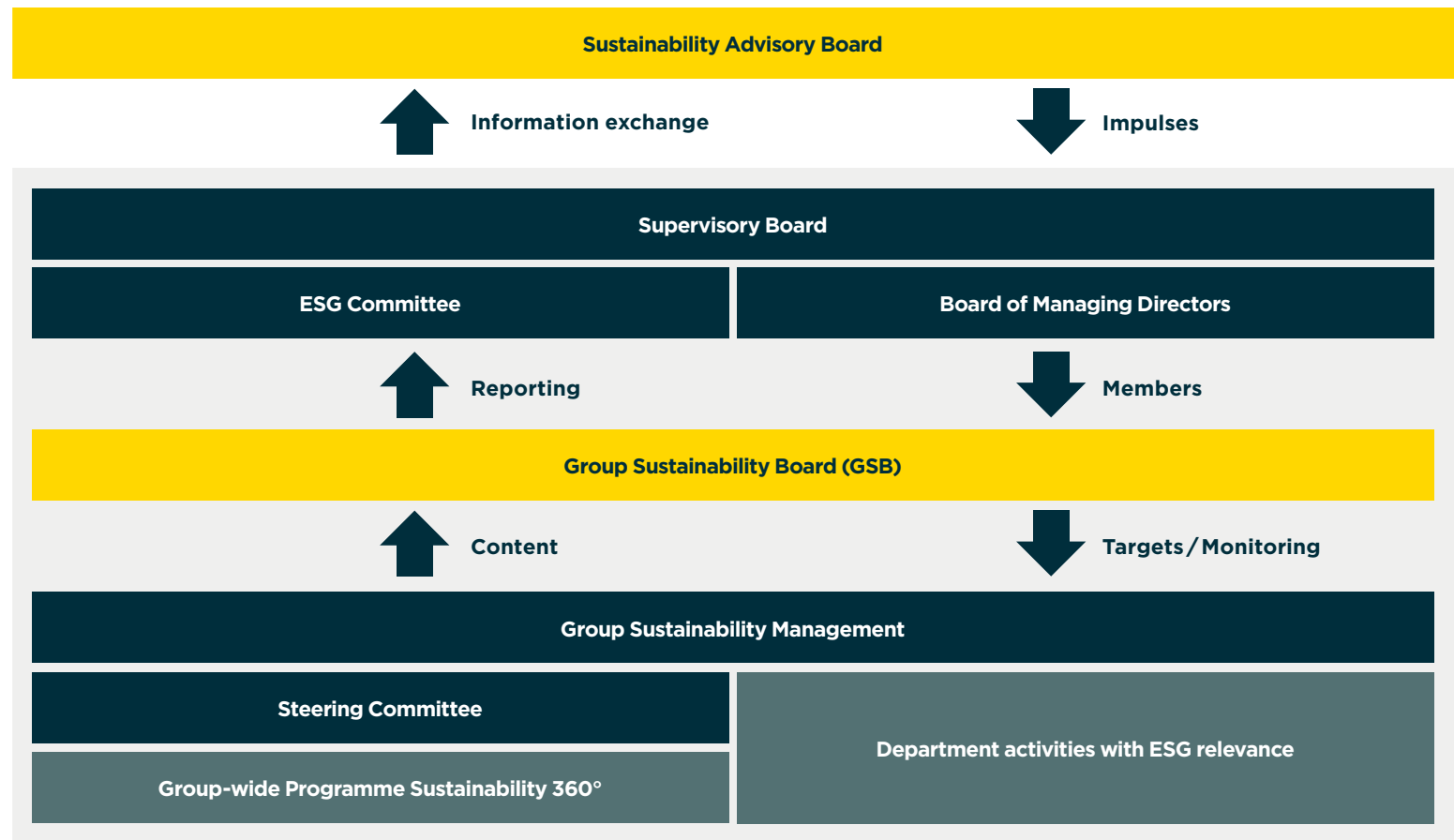
The **"Sustainability Group"**, for example, was set up to strengthen internal networking. The format provides information on sustainability and related activities at the bank. This supports cross-divisional exchange while strengthening the topic of sustainability throughout the Bank.

GRI 2-13

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The **Risk Control unit** has general oversight of climate and environmental risks. The risk function bears overall responsibility for the systematic integration of climate and environmental risks into the existing risk framework, governance and processes. For example, preparation for the ECB's Single Supervisory Mechanism (SSM) climate stress test is carried out as part of a dedicated preparation project coordinated by Group Risk Management and in close cooperation with the "Sustainability 360°" strategic initiative. Sustainability in the core business is assessed by the Reputational Risk Management department.

To ensure constructive critical dialogue with our stakeholders, in 2022 we established an external Sustainability Advisory Board led by the Chairman of the Board of Managing Directors. The **Sustainability Advisory Board** provides impulses for the further development and implementation of our sustainability strategy and is made up of six experts from the fields of politics, science, society, non-governmental organisations (NGOs), trade unions and small and medium-sized enterprises (SMEs). They represent a broad spectrum of subject matter, including topics such as the circular economy and biodiversity that have become increasingly important for us.



GRI 2-14

Role of the highest governance body in sustainability reporting

The central sustainability management function reports to the Chairman of the Board of Managing Directors and is responsible for the Sustainability Reporting.

As part of the Group Sustainability Board, the Group Sustainability Management unit regularly informs the Board of Managing Directors and senior management about the Sustainability Report in accordance with the standards of the Global Reporting Initiative. In terms of content and topics, the Sustainability Report is based on Commerzbank's condensed, separate non-financial report, in which we implement the requirements of the CSR Directive Implementation Act (CSR-RUG). This non-financial report for Commerzbank Aktiengesellschaft and the Group as at 31 December 2023 has been reviewed and approved by the Board of Managing Directors.

The Audit Committee and the Supervisory Board also discussed the report as well as the audit of the non-financial report carried out by KPMG¹. Representatives of the auditor attended the meeting of the Audit Committee on 12 March 2024 and the meeting of the Supervisory Board on 13 March 2024, reported on the main results of their audit and answered supplementary questions from the members of the Supervisory Board. The Supervisory Board raised no objections.

Further details about the advisory and monitoring function of the Supervisory Board with focus on the ESG-Committee can be found in [GRI 2-9](#) and [GRI 2-12](#).

¹ KPMG conducted an audit to obtain limited assurance and issued an unqualified report.

GRI 2-15

Conflicts of interest

Conflicts of interests may arise whenever business interests are at stake. We make every effort to avoid such conflicts. If conflicts of interest nevertheless arise in individual cases, the internal guidelines for dealing with conflicts of interest, which adhere to the legal requirements and the European recommendations, apply to the members of the Supervisory Board.

In accordance with the German Corporate Governance Code and Art. 3 (6) of the rules of procedure of the Supervisory Board, members of Commerzbank's Supervisory Board are required to disclose conflicts of interest without delay to the Chairman of the Supervisory Board or the Chairman's deputy, who will in turn inform the Supervisory Board. Information on conflict of interests is available in the [Annual Report 2023](#) (pp. 13).

GRI 2-16

SDG 16

UNGC 1, 2, 10

Communication of critical concerns

Commerzbank is firmly committed to preventing and taking action against white-collar crime and breaches against legal, regulatory or internal requirements in connection with Commerzbank. In addition to the tried-and-tested contact channels, for example via the compliance departments, the Business Keeper Monitoring System (BKMS) was established in 2009 as a whistleblowing platform (see also [GRI 2-25](#) and [GRI 205: 3-3](#)) on the basis of regulatory requirements, most recently the EU Whistleblowing Directive. Customers, employees and third parties can use this platform to provide information online about white-collar crime and breaches against regulatory provisions and guidelines or internal instructions and other regulations at Commerzbank – anonymously if they wish. Ensuring strict confidentiality of the identities of whistle-blowers and persons named in the report is the top priority here. This system can also be used to submit complaints and reports on issues in the categories “Human rights violations” and “Environmental violations and risks”.

GRI 2-17

SDG 16

Collective knowledge of the highest governance body

The members of the Supervisory Board undertook the training and development measures required for their duties at their own initiative, with appropriate support from Commerzbank. Further training and development took place on a regular basis. Following the Supervisory Board elections, a two-day onboarding event was held for the newly elected members of the Supervisory Board, in which re-elected members could and did take part. In addition, the new Supervisory Board members were offered individually tailored internal training and induction measures. Divisions such as Group Risk and Group Finance also provided individual Supervisory Board members with in-depth insight into their activities and organisation. In the 2023 financial year, a comprehensive workshop on the topic of “The EU Taxonomy and Commerzbank’s progress in implementing it” was held for all members of the Supervisory Board. A training event on the topic of “Software development – from an idea to the product” was also held. The committee chairmen also took part in a workshop on strategic issues at Commerzbank. The members of the Risk Committee received further training on balance sheet modelling in a workshop. The members of the Environmental, Social and Governance Committee received further training on the subject of biodiversity in the course of a committee meeting. Finally, some members of the Supervisory Board attended external training courses on topics such as risk management in banks, accounting and annual financial statement analysis, overall bank management and sustainable finance

We also report on the Supervisory Board’s training and further education in the [Annual Report 2023](#) on page 13.

GRI 2-18

Evaluation of the performance of the highest governance body

In the 2023 financial year the Supervisory Board and its committees dealt with the results of the review of the effectiveness of their work carried out in the 2022 financial year in accordance with recommendation D.12 of the German Corporate Governance Code, combined with the assessment to be carried out in accordance with Art. 25d (11) nos. 3 and 4 of the German Banking Act (KWG). Both the Supervisory Board and the individual committees drew up a catalogue of measures based on the results and implemented these measures. For example, the topics of ESG and digitalisation were defined as focal points of the training measures for the Supervisory Board for 2023 and Supervisory Board members became more involved in the strategy process and in strategic issues. At the end of the 2023 financial year, the Supervisory Board reviewed the effectiveness of its work in the 2023 financial year with the support of an external consultancy and carried out the assessment required pursuant to Art. 25d (11) nos. 3 and 4 of the KWG. All members of the Supervisory Board and the Board of Managing Directors first completed a questionnaire for this purpose. The consultants then conducted individual interviews with all members of the Supervisory Board and the Board of Managing Directors based on an anonymous evaluation of these questionnaires. The resulting analyses were presented to and discussed with the Presiding and Nomination Committee and the plenary Supervisory Board at the beginning of the 2024 financial year. On the basis of these discussions, catalogues of measures were drawn up in turn in both plenary sessions and committee meetings, and these are being worked through in a timely manner. They include developing the strategic succession planning for the Board of Managing Directors and adjusting the skills and expertise profile of the Supervisory Board in a nuanced manner in line with the evaluation.

GRI 2-19 GRI 2-30

SDG 8

UNGC 3, 6

Remuneration policies Collective bargaining agreements

In Germany, the right to organise is guaranteed by fundamental law. The trade unions regularly inform employees of their rights and exercise their freedom of association. As a member of the Employer's Association of the Private Banking Industry (Arbeitgeberverband des privaten Bankgewerbes e.V. – AGV), the Commerzbank AG Germany is bound by their collective agreements and other social partner agreements. The AGV represents the socio-political interests of banks and building societies under private law throughout Germany. In this respect, the Commerzbank is subject to a wage agreement that regulates the salaries of employees covered by collective bargaining agreements via the collective agreement for the private banking industry (Manteltarifvertrag für das private Bankgewerbe). Even the salaries of the lowest classified employees are significantly above the statutory minimum wage. We are thus committed to fair and living wages for all employees. The percentage of employees covered by collective agreements is 40% (please see table Total workforce at Commerzbank AG Germany in most recent years, [GRI 2-7](#)). As a minimum, the terms and conditions of employment of non-pay-scale employees who are not covered by collective agreements comply in their entirety with the terms and conditions set out in the collective agreements.

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GRI 2-19 GRI 2-30

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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. At Commerzbank AG Germany, the salaries of employees on collectively agreed pay scale are governed by the collective bargaining agreements for the private banking sector. More senior positions are not subject to collective bargaining agreements. In this regard, we have classified all positions at the Bank into career paths and levels and defined compensation brackets for them in line with market condition.

As a result of the increased significance arising from expanded regulatory requirements, the remuneration systems and aggregated remuneration data for employees below the level of the Board of Managing Directors are disclosed in a separate report (remuneration report pursuant to Art. 16 of the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung). This is published annually on the Commerzbank website.

The German Transparency in Wage Structures Act (Entgelttransparenzgesetz, EntgTranspG) has been in force in Germany since 2017. The current Report on Gender Equality and Equal Pay ([Bericht zur Gleichstellung und Entgeltgleichheit](#), only available in German) outlines how Commerzbank promotes the equal participation of women in qualified positions and the equal remuneration of women and men for the same and equivalent work. The Report was prepared in accordance with Article 21 of the Entg-TranspG and covers the reporting period 2017 to 2022 (previous publication as per 2018).

By offering attractive additional benefits, we want to create a good working environment, acknowledge performance and position ourselves as an attractive employer. As such, Commerzbank AG has been supplementing the statutory pension with a company pension scheme for years. Employees can also take advantage of other offers under the company pension scheme at special conditions. Commerzbank also offers its employees the opportunity to lease cars, high-quality bicycles or IT equipment for private use through the Bank. Sustainably powered means of transportation are supported financially with leasing options. Employees in Germany have been receiving a mobility allowance for the use of public transport for commuting. “Keep in Touch” is Commerzbank’s contribution to making it easier to reconcile family and career and to avoid career interruptions during parental leave.

Alongside other ESG criteria, the Bank’s sustainability targets are also embedded in our employee remuneration system as target criteria. They account for 25% of the qualitative targets, which together with target achievement in the quantitative element determine the level of variable remuneration in the remuneration model for non-pay-scale employees.

The remuneration system for the Board of Managing Directors supports the sustainable development within the framework of Commerzbank’s Group strategies and its strategic goals. It is aligned to the requirements of the strategic agenda as well as to the overall risk strategy, and is in line with the Bank’s risk, capital and liquidity structure. In order to strengthen successful and stable corporate governance in the long term, the variable remuneration is based on a multi-year assessment basis. In addition, in the current remuneration system 60% is based on the share price and is thus linked to the performance of Commerzbank shares.

A share amounting to 60% of the variable remuneration is structured as a long-term component (LTI) in order to encourage the Board of Managing Directors further to act sustainably, thereby achieving a long-term increase in value. The malus and clawback rules incentivise the Board of Managing Directors to act sustainably. Finally, it introduced a share purchase and a share holding obligation, under which the members of the Board of Managing Directors are obliged to gradually purchase and hold Commerzbank shares in the amount of one year’s basic salary.

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GRI 2-19 GRI 2-30

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The targets set annually by the Supervisory Board for the variable remuneration of the Board of Managing Directors promote the long-term performance of Commerzbank. Sustainability is a central strategic goal of Commerzbank. The “Strategy 2027” published in November 2023 is based on the three pillars of growth, excellence and responsibility. Responsibility represents the entire sustainability spectrum of ESG. Commerzbank is aware of the growing importance of environmental, social and corporate governance (ESG) objectives and for several years now has been specifically aligning its targets with these objectives. With the implementation of the revised remuneration system as at 1 January 2023, ESG targets are now anchored within the Group target in a specific and binding manner for all members of the Board of Managing Directors and, with a weighting of 20% in the Group target, form a key component of variable remuneration (see [GRI 2-12](#)).

Detailed information on the remuneration of the Board of Managing Directors and Supervisory Board is provided in the [Remuneration Report 2023](#).

GRI 2-23

SDG 12, 13, 16, 17

UNGC 1, 2, 6, 7, 8, 10

Policy commitments

For us, sustainable corporate governance means striving to keep the promise of being “The bank at your side”. We are committed to being a reliable partner to our stakeholders and act in line with ethical values, such as integrity, responsibility and fairness.

We undertake to comply with legislation, directives and market standards as well as various internal policies. In addition, we have been committed to the globally recognized principles of the UN Global Compact.

Commerzbank is aware of its corporate responsibility to respect human and environmental rights. In 2019, we published a human rights policy as a binding basis for our Group-wide commitment to human rights. We continually review our policy and develop it further. We are committed to respecting human and environmental rights in our own business operations and in our supply chain and to providing access to remedy for those affected by human and environmental rights violations. Anyone potentially affected by human rights or environmental rights violations in Commerzbank AG's business operations or within our supply chains may submit information via the whistle-blower system, regardless of whether these violations occur in Germany or abroad. Further information on human rights and environmental due diligence can be found under [GRI 2-25](#).

Since 2018, we have been represented in the UN Women’s Empowerment Principles initiative. By signing up, the Bank has committed to promoting gender equality within the Bank and within society.

Integrity is the basis of our business model. We act in an attentive, trust-worthy and reliable manner. As such, we create prospects for discerning people and companies. The globally binding [Code of Conduct](#) summarises our understanding of impeccable ethical and moral behaviour. It goes beyond legal and regulatory requirements and sets standards for Commerzbank Group employees and service providers.

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GRI 2-23

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Our net zero commitment is at the heart of the [sustainability strategy](#) adopted by the Board of Managing Directors. The strategy rests on two pillars: we support our customers in their sustainable transformations and set a good example ourselves. We are pursuing this by means of three ambitious targets:

- By 2050 we are aiming for net zero CO₂ emissions from our entire lending and investment portfolio. To measure progress reliably, we use CO₂ reduction targets from the Science Based Targets initiative (SBTi). We are already using this method to align our portfolios with the Paris Agreement and will also base our management on it from 2025 at the latest.
- By 2025, we will mobilise €300bn for sustainable financial products. These products represent our sustainable business volume, with €100bn attributable to the Private and Small-Business Customers segment and €200bn to the Corporate Clients segment. The goal of mobilising around €300bn by 2025 takes into account not only the provision of capital, but also funds that customers were able to obtain on the capital market with the help of Commerzbank, for example via sustainable bonds and sustainable loans. In the [ESG framework](#), we disclose the criteria we use to classify financial products as sustainable and transparently describe the composition of the sustainable business volume. In view of factors such as the evolving EU Taxonomy, we will realign the volume target accordingly. We will also further expand the range of sustainable products offered in our business divisions. By the end of 2023, Commerzbank AG had mobilised €238bn for sustainable financial products, out of a target of €300bn by the end of 2025. There was a significant increase in 2023 for sustainable bonds in particular with a total volume of €61bn. Due to a notable slowdown in sustainable financing on the credit market in 2023, the volume of new business in this area fell to €75bn compared to the previous year. The reason for this includes the tense interest rate environment and the effects of the macroeconomic downturn. A detailed overview of all products contributing to this goal can be found in our [Annual Report 2023](#) on page 76.
- We want to reduce the CO₂ emissions of our own banking operations to net zero as early as 2040. We already achieved our target of reducing greenhouse gas emissions at Commerzbank AG by a further 30% by 2025 versus 2018 back in 2022 – three years ahead of schedule. We expect our suppliers to be climate-neutral by 2040. Our own CO₂ emissions in 2023 were 76,591 tonnes.

The status of target achievement is regularly ascertained and reported internally and externally. For target 1 – managing the portfolio based on CO₂ intensity, working towards net zero – we are publishing a status report for the first time in 2023. This can be found in our [Annual Report 2023](#) starting on page 52. The Group Sustainability Board, chaired by the Chairman of the Board of Managing Directors, reviews the progress towards these three strategic sustainability targets.



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GRI 2-23

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In April 2021, we joined the Net-Zero Banking Alliance of the United Nations Environment Programme Finance Initiative (UNEPFI) and are one of its first signatories. In our [Annual Report 2023](#) we take into account the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), on pages 78 to 81. We have also included information required by the EU Taxonomy Regulation starting on page 93.

The United Nations [Sustainable Development Goals \(SDGs\)](#) form a further basis for our sustainability efforts. In this report, we show how our activities support the achievement of these global sustainability goals (see SDG symbols at the GRI-Index). This GRI report is also guided by the UN Global Compact and its ten principles for labour standards, environmental protection, human rights and anticorruption.

We follow binding rules for dealing with environmental and social risks, which we continuously review and adapt as necessary. A transparent and fair approach towards our customers is one of the key pillars for a sustainable approach to doing business. Another pillar is the responsible treatment of our employees – also and especially in times of major changes and economic challenges.

Through the [ESG framework](#) published in July 2022, we have made our understanding of and commitment to sustainability transparent for all stakeholders. The framework creates a Bank-wide standard that enables rigorous management of all relevant products, processes and activities and ensures the sustainable transformation of Commerzbank. The focus of the ESG framework is on our core business, the customer and product portfolio. The ESG framework provides an overview of our sustainability directives and exclusion criteria. It will be continuously updated to reflect both regulatory developments and our own progress.

In view of the special risks associated with fossil fuels and arms, the Board of Managing Directors of Commerzbank AG has passed its own binding directives on these matters that define many of the relevant transactions and business relationships in these areas as being subject to assessment and encompass exclusion criteria.

For more information on our sustainability strategy and how we deal with environmental and social risks, see [Sustainable Finance: 3-3](#).

Important guidelines for responsible conduct are also laid out in the:

- [corporate culture](#) with the three corporate values of integrity, performance and responsibility,
- [Commerzbank's position on human rights](#), that is subject to compliance and observance by managers in all business units
- Inclusion Agreement "Action Plan on Inclusion" [[„Aktionsplan Inklusion 2.0 – Nachhaltig inklusiv.“](#)],
- [Policy Statement on the Supply Chain Due Diligence Act \(LkSG\)](#),
- [Commerzbank environmental policies](#) as well as,
- [Procurement guidelines](#), which include ethical guidelines and the sustainable procurement standard.

An overview of these guidelines and memberships with sustainability context can be found on Commerzbank's [sustainability portal](#).

GRI 2-24

SDG 16, 17

UNGC 7, 8

Embedding policy commitments

The transformation into a sustainable economy affects our customers and ourselves in equal measure. Sustainability has been an integral part of our corporate strategy since as far back as 2020. The “Strategy 2027” published in November 2023 is based on the three pillars of growth, excellence and responsibility. Responsibility represents the entire sustainability spectrum of environmental, social and governance. The United Nations Sustainable Development Goals (SDGs) and the Paris climate target of limiting global warming to well below 2°C provide the framework for our work.

Our commitment to sustainable transformation is also made clear by our voluntary undertakings. For example, we were one of the first signatories of the Net-Zero Banking Alliance of the United Nations Environment Programme Finance Initiative (UNEP FI). The NZBA requires concrete measures to reduce greenhouse gas emissions. Our objective with the voluntary commitment to the NZBA is to reduce the carbon balance sheet of the bank’s entire credit and investment portfolio to zero by 2050 at the latest. To reliably measure our progress in reducing our emissions, we rely on science-based CO₂ reduction targets from the Science Based Targets Initiative (SBTi), which we joined in September 2020. After joining the Partnership for Carbon Accounting Financials (PCAF), we adopted our method of calculating portfolio intensities to the internationally recognised PCAF standard.

Furthermore, we are an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD). We make the opportunities and risks of climate change transparent for our credit portfolio by publishing the TCFD report in the non-financial report of Commerzbank. By joining the Taskforce on Nature-related Financial Disclosures (TNFD) in 2023, we have underlined our resolve to make an active contribution to preserving biodiversity. Since 2006 we have been a member of the UN Global Compact. Together with other companies and the United Nations (UN), we want to implement and advance fundamental principles of human rights, working conditions, the fight against corruption and environmental protection. As Commerzbank, we are among the first signatories of the Principles for Responsible Banking. In doing so, we stress the high relevance of responsible banking for Commerzbank and that we are aware of the impact of our actions on society. An overview of all memberships with sustainability context can be found on Commerzbank’s [sustainability portal](#).

Within Commerzbank AG, various bodies act at different levels to constantly develop our sustainability strategy and review current progress. For more information, please see [GRI 2-13](#). By making Group Sustainability Management the overarching sustainability area within the strategy unit, Commerzbank is underlining the strategic priority of this topic. It is responsible for the ongoing development of the sustainability strategy and comprehensive governance. It also ensures the implementation of strategic sustainability initiatives.

We want to exploit all opportunities to avoid risks to our business and, at the same time, tap into opportunities for future-oriented steering. 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 2023](#) (pp. 216 et seq.).

Integrating sustainability aspects into the Bank’s risk management is of great importance for sustainable finance. These include, in particular, risks resulting from climate change. At Commerzbank, we do not consider climate-related risks as a separate type of risk, but as a horizontal risk which can materialize across the different known types of risk.

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GRI 2-24

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Companies can have economic success only if their daily actions are accepted by society. Commerzbank also emphasises this in its strategic objectives. We want to live up to this responsibility. We have long defined binding rules for handling environmental and social risks. The Bank has adopted a clear stance on controversial issues such as arms, palm oil and fossil fuels.

The early identification and appropriate management of further environmental or social risks is incorporated into the Group's overall risk strategy and management via its reputational risk management. As part of this reputational risk management, we review products, transactions and customer relationships where sustainability aspects play a particular role. The focus is on ethically, socially or ecologically sensitive areas – for example, where projects may lead to increased pollutants in the air, water and soil, or where they may be linked to the over-exploitation of natural resources. Commerzbank's Reputational Risk Management department thus defines the criteria for and limits of business operations and assesses transactions, products and customer relationships after careful analysis. The assessment process starts in the front office: as soon as an issue defined as sensitive by the Bank is affected, Reputational Risk Management must be brought in. The assessment uses a five-point scale and can result in a rejection of the product, the transaction or the business relationship.

According to the risk inventory, reputational risk is one of the main non-quantifiable risk types in the Commerzbank Group and is therefore managed as part of the overall risk strategy. All sensitive issues, positions and directives are reviewed regularly and updated as necessary.

For details on climate and reputational risk management, please see [Sustainable Finance: 3-3](#).

Sustainability training and information events for employees

All employees have the opportunity to complete a three-hour basic training course on sustainability. The following aspects are addressed: sustainability as a global challenge, corporate responsibility and the role of Commerzbank, regulatory frameworks and the market environment, sustainability risks, sustainability in customer business, ESG products and services from Commerzbank. The knowledge learned is put to the test in a quiz at the end.

In 2023, the basic training was supplemented by a ten-hour advanced training course. This is also available to all employees and focuses on sales and sales-related functions. The content focuses on consolidating the fundamentals from the basic training course, financing, investments, and opportunities and risks from a banking perspective. What has been learnt is tested at the end of each chapter in a final quiz.

Commerzbank has been actively involved in the European Sustainability Week since 2014. In 2023, a range of informational programmes on company-specific topics related to sustainability were offered and external speakers were invited to impart knowledge. A total of 33 events were held and employees were also motivated to actively apply what they had learnt as part of a climate challenge. Part of the challenge was, for example, to collect and properly dispose of waste to clean up the environment and improve the streetscape. To this end, there was also a joint waste collection campaign organised by the employer at the Commerzbank AG headquarters in Frankfurt and the comdirect site in Quickborn.

GRI 2-25

SDG 8, 12

UNGC 1, 2, 4, 5, 7, 10

Processes to remediate negative impacts

We want to prevent our business activities from having a negative impact on the environment and on society and to avoid or mitigate any risks that might result.

Under the three lines of defence approach, ESG risks are viewed as a horizontal type of risk and are therefore managed across various control units at the Bank. Group Sustainability Management also acts the second line of defence for social (S) and governance (G) risks, serving as a central point of oversight. Environmental (E) risks are dealt with within the risk control function. The Chief Environmental Risk Officer (CERO) and the associated Environmental Risk Control unit deal specifically with climate and biodiversity risks. Together, these two units monitor the impact of ESG risks on the Bank's risk profile.

We also report in detail on our ESG activities and risks in the disclosure report in accordance with the Capital Requirements Regulation (CRR).

The implementation of human rights and environmental due diligence is seen as Commerzbank's collective corporate responsibility. Commerzbank AG is involved in various initiatives and organisations and uses stakeholder dialogue as an opportunity to develop itself further. The Bank has been a member of the UN Global Compact since 2006 and committed itself to promoting equal opportunities by signing the Diversity Charter in 2008. Compliance with human rights and environmental requirements has been enshrined in the [ESG framework](#).

Commerzbank has set up a comprehensive compliance programme to ensure compliance with the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). It regularly updates and publishes its policy statement on human rights and environmental due diligence in accordance with the LkSG and its human rights position. The Chief Compliance Officer in their role as Human Rights Officer in accordance with the LkSG reports directly to the Chief Risk Officer. Human rights and environmental risks are regularly identified in the periodic LkSG risk analysis in the company's own business operations and in its supply chain. Appropriate preventive and corrective measures are taken in accordance with the risks identified.

The Bank is strongly committed to both preventing and taking action against misconduct. If a person is aware of potential violations of legal, regulatory or internal requirements in connection with Commerzbank, they can report these via the whistle-blower system (Business Keeper Monitoring System - BKMS). Information on human rights and environmental risks or related violations within the meaning of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) can also be submitted there. People can submit reports in their name or anonymously and the reports are always handled in strict confidence, taking into account the legitimate interests of all parties involved as far as legally possible. The rules of procedure for the complaints procedure describe how complaints are handled in accordance with Section 8 LkSG. These rules of procedure are published on the Group portal.

GRI 2-26

SDG 16

UNGC 1, 2, 10

Mechanisms for seeking advice and raising concerns

Commerzbank is committed to behaving with integrity through its corporate values and seeks open communication with its stakeholders.

Information on established measures for responsible business conduct and the reporting of concerns via the whistleblower system is described in detail in [GRI 2-25](#). The involvement of stakeholders, in particular with regard to regular exchange and obtaining advice, is comprehensively addressed in [GRI 2-29](#).

GRI 2-27

SDG 16

UNGC 1, 2, 4, 5, 7, 10

Compliance with laws and regulations

Compliance with statutory provisions and regulatory requirements is a matter of course for Commerzbank.

Commerzbank was not ordered to pay any significant fines in the year under review. Information on ongoing legal proceedings as per the end of 2023 can be found in the [Annual Report 2023](#) (pp. 250 et. Seq.).

The cross-segment “Culture of Integrity” network has the task of promoting a culture of integrity through targeted initiatives and measuring its development. With the help of targeted communication formats, for instance, we regularly raise awareness about correct behavior in gray areas by means of practical examples, provide information on possible violations of the law and how to respond correctly. The campaign is accompanied by a voluntary online training “Checkpoint Integrity”, which provides training in how to act in grey areas.

The Culture of Integrity also comprises a targeted improvement of the system for issuing instructions in order to provide employees with a clear and concise framework for their daily actions. On the one hand, the focus here is on increasing quality and reducing the number of instructions. Beyond that, there is also the sustainable improvement and further development of Comrules, the internal portal for instructions. The regular convening of the Decision Board (cross-segmental decision-making body for dealing with misconduct) and the established evidence office (anonymous collection and storage of misconduct incidents) are also sustainable components of the initiative, as are measures relating to “Know your employee”, such as an established reliability check.

To promote high-integrity behaviour and to honour employees who act as role models, Commerzbank has redeveloped the “Culture of Integrity Award” into the Culture Award. This award recognises integrity in addition to the Performance and Responsibility categories. It is given to employees or teams who excel in integrity and attentiveness in terms of protecting the interests of customers and the Bank. In the 2023 financial year, five private customer employees from the advisory branch in the Nuremberg region formed the winning team. Thanks to a particularly high level of vigilance, several ‘grandparent’ scams were successfully thwarted and damage to customers and the Bank averted.

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GRI 2-27

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Compliance with the law and applicable guidelines is the foundation of corporate responsibility.

The focus of Commerzbank's compliance activities is on preventing and uncovering money laundering, terrorist financing, market abuse (insider trading and market manipulation), fraud, corruption and other criminal acts wherever the Bank does business, the management of conflict of interest as well as on protecting investors. We also ensure that insider information and other confidential data about our customers and their transactions are protected in accordance with the need-to-know principle. Commerzbank Aktiengesellschaft's Compliance division has wide-ranging authority and escalation rights, including powers to obtain information and carry out investigations, enabling it to implement its requirements throughout the Group.

Integrity is the basis of our business model. We act in an attentive, trust-worthy and reliable manner. The globally binding Code of Conduct is updated in the second quarter of 2023 and summarises our understanding of impeccable ethical and moral behaviour. It goes beyond legal and regulatory requirements and sets standards for Commerzbank Group employees and service providers.

The Bank's consequences management ensures that sanctions are applied as uniformly as possible to violations of rules and statutory or regulatory provisions in the Group. Misconduct by employees requiring at least a written warning is documented centrally; where necessary, the relevant compliance departments are consulted for assessment in the event of violations. By establishing a uniform reporting process, a decision board for consistent decisions and a records office as a "central memory", we can strengthen Commerzbank's "culture of integrity".

Group Compliance creates transparency and thus comparability regarding the consequences of cases of misconduct. The anonymous depiction of this (with personal data removed) in the records office enables the evaluation of misconduct in relation to the measure decided upon and the identification of areas where rules and instructions need to be optimised. For Commerzbank employees, the consequence management framework provides security in terms of a uniform approach to similar cases.

Membership associations

Commerzbank is a member of a range of associations and interest groups, both at a national and an international level.

This includes the following organizations¹:

- Afrika-Verein der deutschen Wirtschaft e. V. [translated: German-African Business Association]
- Allianz der Chancen [Alliance of Opportunities]
- American Chamber of Commerce in Germany e. V.
- American German Institute (AGI)
- Arab-German Chamber of Commerce and Industry e. V.
- Asien-Pazifik-Ausschuss der Deutschen Wirtschaft (APA) [Asia-Pacific Committee of German Business]
- Association for Financial Markets in Europe (AFME)
- Atlantik-Brücke e.V. [Atlantic Bridge Association]
- Banking Association [Bankenfachverband e. V.]
- Biodiversity in Good Company Initiative e. V.
- Bayerischer Bankenverband e. V. [Bavarian Banking Association]
- Bitkom e. V.
- Bundesverband Alternative Investments e. V. [Federal Association for Alternative Investments]
- Bundesverband Investment und Asset Management e. V. (BVI) [Federal Association for Investments and Asset Management]
- Bundesverband für strukturierte Wertpapiere e. V. (BSW) [Federal Association for Structured Securities]
- British Chamber of Commerce in Germany e. V.
- Bundesverband deutscher Banken (BdB) [Association of German Banks]
- Bundesverband WindEnergie e. V. [German Wind Energy Association]
- Bundesverband mittelständische Wirtschaft, Unternehmerverband Deutschlands e. V. [German Association for Small and Medium-sized Businesses]
- Charta der Vielfalt e. V. [Diversity Charta]
- Deutsches Aktieninstitut e. V. [German Stock Institute Association]
- Deutsches Verkehrsforum e. V. [German Transport Forum Association]
- European Banking Federation (EBF)
- Grüner Wirtschaftsdialog e.V. [Green Business Dialogue Association]
- ICC Germany e. V.
- Institut für Digitalisierung im Steuerrecht e.V. [Institute for Digitalization in Tax Law]
- Institute of International Finance (IIF)
- Lateinamerika Verein e. V. [Association for Latin America]
- Lateinamerika-Ausschuss der Deutschen Wirtschaft (LADW) [Latin America Committee of German Business]
- Nah- und Mittelost Verein e. V. [German Near and Middle East Association]
- Norddeutscher Bankenverband e.V. [North German Banking Association]
- Ostasiatischer Verein e. V. [German Asia-Pacific Business Association]
- Ost-Ausschuss der deutschen Wirtschaft e. V. [East Committee of the German Economy Association]
- Ostdeutscher Bankenverband e. V. [East German Banking Association]

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GRI 2-28

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- UnternehmensForum e.V. [Corporate Forum Association]
- Verband deutscher Pfandbriefbanken (VdP) [Association of German Pfandbrief Banks]
- Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. [Association for Environmental Management and Sustainability in Financial Institutions]
- Wirtschaftsbeirat der Union e.V. [Economic Advisory Board of the Union]
- Wirtschaftsforum der SPD [Economic forum of the SPD]
- Wirtschaftscoalition Daten & Digitales [Economic Coalition Data & Digital]
- Wirtschaftsrat der CDU [Economic council of the CDU]
- Arbeitsgemeinschaft Zeitwertkonten e.V. (ZWK) [Working Group Time Value Account]

Significant role within memberships:

Commerzbank is a member of numerous associations and initiatives. However, our involvement and the specific level of participation vary greatly from membership to membership. Commerzbank only plays a significant role in a limited number of associations because it either makes significant financial contributions, holds board positions and/or its employees are involved in a large number of specialised committees. The following memberships are strategically important as they advocate a responsible financial sector that contributes towards growth and prosperity for all and have the potential to amplify our voice vis-à-vis politics and society in particular.

- **Association for Financial Markets in Europe (AFME)**
 - Wir leisten einen bedeutenden finanziellen Beitrag
- **Association for Financial Markets in Europe (AFME)**
 - We provide substantive funding
- **Bitkom e. V.**
 - Participation at specialist level in 57 committees
- **Bundesverband deutscher Banken e. V. (BdB) [Association of German Banks]**
 - Chief Executive Officer (CEO) of Commerzbank is a member of the board of BdB
 - Participation at specialist level in 137 committees
- **European Banking Federation (EBF)**
 - Even though we are not a direct member of the EBF as Commerzbank, we are represented in EBF working groups with 81 employees.
- **Institute of International Finance (IIF)**
 - The CEO of Commerzbank is Board Member of the IIF
- **Sustainable Finance Advisory Committee of the Federal Government in the 20th legislative term**
 - The Divisional Head of Group Sustainability Management has been a member of the Advisory Board since mid-May 2024
- **Verband deutscher Pfandbriefbanken e. V. (vdp) [Association of German Pfandbrief Banks]**
 - The Chief Financial Officer (CFO) and Deputy CEO of Commerzbank is a Member of the Board of vdp e. V.

Commerzbank does not provide substantive funding beyond routine membership dues.

¹ Auflistung einer Auswahl von Mitgliedschaften der Commerzbank zum Stichtag 10. Mai 2024.

Approach to stakeholder engagement

Corporate social responsibility involves seeking regular dialogue with internal and external stakeholders. In this active and transparent dialogue, we endeavour to meet the expectations and needs of our stakeholders, to incorporate them into our corporate strategy and to present our own points of view.

In order to foster critical dialogue with experienced stakeholders from various fields, we established an external Sustainability Advisory Board under the patronage of the Chairman of the Board of Managing Directors in 2022. The six experts from the fields of politics, academia, society, NGOs, trade unions and SMEs represent a broad spectrum of content. Previous meetings included the discussion of topics such as the circular economy, biodiversity and social sustainability. The input from the Sustainability Advisory Board supports us in the further development of our sustainability strategy.

Information regarding the involvement of stakeholders in the materiality analysis can be found under [GRI 3-1](#).

Commerzbank maintains contact with numerous organisations and groups that have a relationship with the Bank. In addition to employees, these include customers, the capital market, the financial sector, suppliers and service providers, the media, NGOs, politicians, civil society as well as academics. Commerzbank also engages in regular dialogue with national and international regulatory and supervisory authorities. The discourse on important social, economic and financial issues is of great significance to us.

The following forums, and the projects and initiatives resulting therefrom constitute a selection of strategic communications activities with our stakeholders.

Banking supervision and regulators

Commerzbank is in constant dialogue with national and international regulatory authorities and banking supervisors on a number of initiatives relating to sustainability aspects.

Industry Exchange

Commerzbank is actively involved in dialogue with competitors in order to tackle industry-wide challenges and develop joint solutions. As a participant in industry-wide working groups, such as the “Sustainability Management” working group of the Association of German Banks, the Bank helps to promote innovative approaches to sustainable development and establish industry standards.

In November 2023, Commerzbank hosted one of the nine events held during the seventh Sustainable Finance Summit of the Green and Sustainable Finance Cluster Germany. The programme welcomed the banks of the Net-Zero Banking Alliance Germany and discussed the topic of climate-neutral banks as well as the key role they play in transforming the economy.

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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 results are incorporated in our corporate policy decisions. In the reporting year, the topic of armaments continued to be a focus of this exchange alongside the emphasis on climate protection and CO₂-emissions from business activities related to coal, oil and gas.

Politics

We have established several event formats for the dialogue with political representatives. These include the “Political Breakfast” in Berlin, at which guest speakers debate social and economic policy issues with representatives from politics, science and business during the weeks in which parliament is in session. Members of parliament and speakers come together at “Mittagswerkstatt” events in Berlin and “lunchlab” events in Brussels to share specialist knowledge and discuss current affairs. These and further activities can be followed on social media at #cobapolitics. In its Group-wide policy on political communication, Commerzbank lays down principles and guidelines for appropriate contact management and representation of interests in the political arena. These are based on the principles of transparency and fairness as an indispensable prerequisite for serious political communication.

Civil society

“SHE VIP” is a networking format created by and for successful women from business, politics, society, media or culture who address matters of socio-political interest. In “Commerzbank in Dialogue”, the Chairman of the Board of Managing Directors of Commerzbank debates issues with high-profile personalities from politics or business.

Shareholders and investors

With interest in these ESG-matters growing among investors, the importance of the sustainability ratings is increasing too. Commerzbank cultivates an active dialogue with selected ESG-rating agencies. We publish the [ESG rating results](#) online.

During the reporting year, the Bank also received many inquiries from analysts and investors with regard to ESG-relevant topics. Questions were increasingly asked about topics such as the sustainable product portfolio, evaluation approaches on biodiversity and ensuring diversity and inclusion. These topics are also addressed in the [ESG-presentation](#). In addition, following participation in ESG conferences, the current [sustainability presentations](#) are made available to all interested parties on our Commerzbank site.

As part of its operational investor relations work, particularly the ongoing communication with investors and financial analysts, the Bank held seven roadshows with European and North American investors in 2023 and attended nine virtual international investor conferences. In total, the Board of Managing Directors, managers and Investor Relations held approximately 180 meetings with more than 360 investors and analysts in 2023. The Chairman of the Supervisory Board of Commerzbank also regularly engages in dialogue with national and international key shareholders and investors on topics such as corporate governance, the qualifications and composition of the Board of Managing Directors and the Supervisory Board, the remuneration systems of the Board of Managing Directors and the Supervisory Board, the role of the Supervisory Board in the strategy development and implementation process, the selection of auditors, digitalisation and sustainability.

Further details on communication with shareholders can be found in the [Annual Report 2023](#) (p. 15).

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GRI 2-29

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Customers

We provide our customers with expert advice on the transformation of their business models. We align our services to their interests, evaluate our business success based on criteria such as their satisfaction, and integrate sustainability into our dialogue formats. Ensuring data security also contributes significantly towards customer satisfaction, which we monitor continually.

All Group units actively engage with their customers so as to take account of usage requirements in the (further) development of products and services.

This ensures that the customer and/or user experience (CX/UX) with our products, services and channels meets up to our quality standards. From idea development and conception to design and development, customers are involved in the various product stages. This gives rise to a continuous dialogue, including in a UX studio set up specifically for this purpose.

In addition, we have set up a UX branch. This is our laboratory branch in which we try out new things with previously selected employees and customers without ongoing operations – whether it be technical innovations, furniture or design elements that make life more pleasant for customers and employees in the branches. In order to learn from our customers, we ask them for their opinion in online surveys.

The comdirect brand also carries out activities to foster customer loyalty within the “comdirect community”, where customers and others with an interest in the financial markets can discuss products and other financial topics with one another as well as with the Bank.

In our Private and Small-Business Customers segment, too, our present and future aim is to focus activities, products and processes on customers and to meet their needs with a high standard of quality. To this end, customer feedback is continuously recorded via various contact channels. Commerzbank primarily uses two tools to measure customer satisfaction and loyalty: the Customer Barometer (the strategic customer loyalty study) and the Customer Satisfaction Score (CSAT).

The Customer Barometer study has been used to survey customer loyalty to Commerzbank since 2021. It provides a holistic and long-term picture of customer loyalty overall and in individual customer segments of Commerzbank and comdirect. The KUBIX customer satisfaction index is calculated from the factors “recommendation”, “overall satisfaction” and “competitive advantage”. KUBIX is a key strategic management tool and is incorporated into the remuneration system as a qualitative criterion. In addition, the evaluation of individual performance components (such as product and service components) is surveyed in order to improve these and the associated qualitative perception. We use the CSAT to gauge experience-related customer satisfaction based on a 5-star rating. This is measured directly at the contact channel and as soon as possible after the Bank and customer have been in contact. We ask the customer how satisfied they were with the contact they had with the Bank and, among other things, whether the specific issue was resolved. The aim is to identify potential for improvement for the relevant channels and, as a result, for the customer experience as well.

SME topics are at the heart of Commerzbank’s “Unternehmerperspektiven” initiative (Business Owners’ Views). Once a year it surveys owners and top-level managers from companies of different sizes and from different industries.

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In Commerzbank's corporate customer segment, topic-specific customer surveys are regularly used to further develop the range of offers. In this way, we gain insights into customer needs and requirements, which are then incorporated into the design of products and processes. The aim here is to align product optimization and innovations, for example in the context of digitalization, with customer benefits, and to develop new service offerings in relation to sustainability for instance. Further surveys provide information on how satisfied corporate customers are with the support they receive in this segment and what their wishes and expectations are in terms of cooperation with the Bank.

Employees

The committees representing the interests of the employees at Commerzbank AG Germany 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 Germany employees with the exception of the Board of Managing Directors, which is not represented.

Employee satisfaction during periods of corporate restructuring is an important yardstick for assessing whether key objectives of our strategy resonate with employees. For this purpose Commerzbank has been conducting employee surveys ("Pulse Checks") and focus group interviews since 2020. The results are intended to deliver a picture of employee sentiment.

In addition to surveys, we also use our "Wikidee" idea management system to involve our employees in the company's activities. All employees can submit suggestions and discuss them jointly using this online platform. In the 2023 reporting year, 851 ideas were submitted (655 in the previous year). Employees can use this online platform to submit suggestions and discuss them together. In the 2023 reporting year, 851 ideas were submitted (previous year: 655). Among the ideas submitted was a suggestion that helped to increase data protection. The Online Banking portal automatically logs users out after 5 minutes of inactivity. Thanks to the suggestion, we were able to improve this process by adding a frosted glass effect to the background when inactive so that no one can see the content. This example idea shows that employees are interested in proactively helping to shape the Bank's products and processes overall.

In addition, "Simply Simpler" (German original "Einfach Einfacher) is a Bank-wide programme aimed at sustainably reducing complexity. Employees and divisions throughout the organisation are participating in the programme.

The "Management Mittendrin" programme supports cross-departmental and cross-hierarchical communication and discussion. As part of the annual campaign, the Top Management visited a team of their choice across the Group for one day and joined the employees in their day-to-day work. These visits promoted a common understanding of day-to-day work, provided new insights from a change of perspective, and strengthened networking.

GRI 3-1

SDG 8

Process to determine material topics

This sustainability report in accordance with the Standards of the Global Reporting Initiative is based on the materiality analysis from 2022. In order to identify the relevant content, this materiality analysis identified non-financial topics that are decisive for understanding Commerzbank's business performance and situation and on which our business activities have a significant impact.

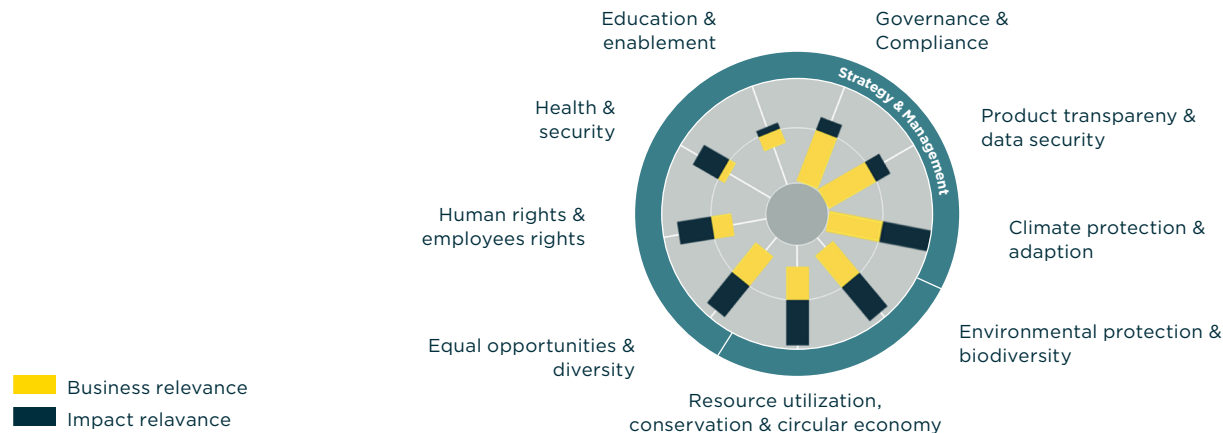
Potential sustainability topics were analysed in collaboration with external partners, applying two materiality perspectives. An exposure analysis was conducted to measure the "impact perspective". This analysis built on the Bank's internal financial and risk data and proven sustainability indicators to determine "sustainability hotspots". These are in countries and sectors where Commerzbank is particularly active, both directly and indirectly, for example through financing, and where sustainability indicators in the defined areas are significantly below average. The "business perspective" – the question of how high the opportunities and risks of these sustainability issues are for business success – was established in a management workshop.

Nine topics have consequently been identified as material. They relate to all three sustainability dimensions – environmental, social and governance – and will form the future focus of our sustainability management activities. Climate change continues to have the highest relevance for the Bank. At the same time, the focus shifted increasingly to topics such as biodiversity and circular solutions compared to previous materiality analyses.

To apply the materiality analysis in the Bank's operations, the results were incorporated into the annual Bank-wide strategy process and discussed at the level of the Board of Managing Directors. In the final step, we assigned the respective material topics according to the GRI Standards to the relevant issues identified in the materiality analysis.

The nine topics that have consequently been identified as material are illustrated below.

Results matrix for the materiality analysis 2022



GRI 3-2

SDG 8

List of material topics

This sustainability report in accordance with the Standards of the Global Reporting Initiative is again based on the materiality analysis from 2022(see [GRI 3-1](#)). We therefore report the same topics as for the reporting year 2022 for the possible disclosure according to GRI 3: material topics.

The nine topics that have consequently been identified as material as well as the information regarding the material topics according to the GRI Standard are stated in the table below.

The material topics according to GRI standards are supplemented by the specially developed “[Sustainable Finance](#)” disclosure, which depicts further aspects relating to the relevant topics from the 2022 materiality analysis.

Material topics and classification of GRI Standards

Material topics as identified in the materiality analysis of 2022	Associated GRI Standards from GRI 3: Material Topics 2021
Climate protection & adaption	GRI: 203 Indirect Economic Impacts 2016
	GRI: 302 Energy 2016
	GRI: 305 Emissions 2016
	GRI: 308 Supplier Environmental Assessment 2016
	Own Disclosure: Sustainable Finance
Environmental protection & biodiversity	GRI: 203 Indirect Economic Impacts 2016
	GRI: 304 Biodiversity 2016
Resource utilization, conservation & circular economy	GRI: 203 Indirect Economic Impacts 2016
	GRI: 302 Energy 2016
	GRI: 305 Emissions 2016
	GRI: 308 Supplier Environmental Assessment 2016
Product transparency & data security	GRI: 417 Marketing and Labeling 2016
	GRI: 418 Customer Privacy 2016
	Own Disclosure: Sustainable Finance
Governance & Compliance	GRI: 205 Anti-corruption 2016
	GRI: 207 Tax 2019
	GRI: 415 Public Policy 2016
	Own Disclosure: Sustainable Finance

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GRI 3-2

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Material topics as identified in the materiality analysis of 2022	Associated GRI Standards from GRI 3: Material Topics 2021
Equal opportunities & diversity	GRI: 401 Employment 2016 GRI: 405 Diversity and Equal Opportunity 2016 GRI: 406 Non-discrimination 2016 GRI: 407 Freedom of Association and Collective Bargaining 2016 GRI: 414 Supplier Social Assessment 2016
Human rights & employee rights	GRI: 401 Employment 2016 GRI: 406 Non-discrimination 2016 GRI: 407 Freedom of Association and Collective Bargaining 2016 GRI: 414 Supplier Social Assessment 2016
Health & security	GRI: 403 Occupational Health and Safety 2018 GRI: 414 Soziale Bewertung der Lieferanten 2016
Education & enablement	GRI: 401 Employment 2016 GRI: 404 Training and Education 2016

GRI 3-3

SDG 8, 9

UNGC 1, 2, 7, 9

Management of material topics

As one of Germany's leading commercial banks, Commerzbank has an obligation to act responsibly, in both economic and socio-political terms within the scope of its influence.

We respect the demands and expectations of its various stakeholders and of society at large and ensure that they are factored into company decisions. In light of this responsibility, the Bank is committed to the UN Global Compact and has adopted positions and guidelines concerning environmental and social issues.

Generally, we want to support companies of all economic activities in their sustainable transformation. It also means that we want to encourage a rethink and innovative solutions in all sectors, rather than categorically exclude certain industries. Anything else would jeopardise the stability of the German economy and make sustainable transformation impossible. At the same time, we also urge them to make a decisive move towards more sustainability – not only to achieve our net-zero target, but also to put the Bank on stable footing in the long term. After all, sustainability risks resulting from climate change, biodiversity loss, or human rights violations are potential financial risks for the real economy – and therefore also for the financial industry. However, there are companies and commitments that we will no longer support now or in the future. We provide robust guidelines that define the minimum standards we apply and set clear limits through exclusionary criteria, especially in controversial sectors. After all, a company that does not adopt a sustainable approach today has little chance of success in the long term. We firmly believe this.

Further information regarding the regular evaluation of business and business relationships can be found in the [ESG Framework](#) as well as in [Sustainable Finance: 3-3](#).

Compliance with human rights standards by our business partners is also an integral part of our purchasing and procurement guidelines. Our procurement standards clearly govern the environmental, social and ethical requirements for our business partners. All suppliers and service providers who do business with us are required to comply with the specific human rights and environmental requirements of these regulations and, in turn, to oblige their own suppliers and service providers to comply with the relevant requirements. The topic of social standard compliance is also part of the annual supplier meetings. Reputational Risk Management also carries out ad hoc analyses when selecting suppliers. If a business partner violates these standards, the business relationship may be terminated. Since the German Act on Corporate Due Diligence in Supply Chains (LkSG) came into force, Commerzbank AG has been subject to regulatory and statutory obligations to ensure appropriate internal safeguards and controls for prevention and remediation to protect human rights and the environment. This includes an automated control and management tool that initially reviews and continually monitors all existing and new business relationships.

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GRI 3-3

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We are part of society and as such are networked with our environment in many ways. For us, taking responsibility here means addressing societal developments and social challenges and participating in their solution. We make our contribution in numerous projects and initiatives that we have launched together with partners from politics, business and society (see also [GRI 2-24](#) and [GRI 2-28](#)). We are convinced that only together can we successfully meet the challenges now and in the future.

GRI 203-1
GRI 203-2

SDG 4, 10, 13

UNGC 1, 8

Infrastructure investments and services supported
Significant indirect economic impacts

The Bank at your Side – Financial education and financial inclusion

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. At the same time, we consider it our responsibility to provide financial knowledge on everyday issues and thus offer assistance.

Since the beginning of 2020, we have been offering knowledge on various topics and drawing attention to current issues, such as "investing money sustainably", as well as to classic questions about payment transactions, construction financing, saving or investing. In our guide we provide many helpful contributions about finances such as investment, credit and debt, women and finance, finances in everyday life and much more. In 2023 alone, we aroused the interest of more than one million visitors with our advisory and information services. A strong success for financial education.

Commerzbank is also committed to getting more women interested in finance with its Financial Heroines initiative (German original finanz-heldinnen). The initiative was founded by comdirect employees at the beginning of 2018 with the aim of making a positive contribution to society. The Financial Heroines offer a wide range of information to help women familiarise themselves with the topic and make their own financial decisions, such as an online magazine, podcast, afterwork events and an Instagram channel as well as the bestselling book "The Financial Planner for Women".

Our future nationwide branch network stands for solution-oriented advisory services at around 400 locations. Even as a digital advisory bank, we will remain present in the area. At the same time, the interaction with the digital offer and our advisory centres is becoming increasingly important.

With the consequent expansion of our digital services, we are simplifying access to the Bank under the slogan "The bank at your side". As such, we have introduced further self-services for our customers, for example, transfers of up to €20,000 can be made daily at the bank terminal, and business customers can now easily and digitally instruct online loan disbursement orders and the settlement of attachment orders themselves. In addition, it is now very easy to register for digital banking via autoident.

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GRI 203-1
GRI 203-2

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To make our offers available to all interested parties, we place great emphasis on designing our branches and online offers to be easily accessible. Around two thirds of our branches are accessible at ground-floor level. Whenever we remodel a branch or install ATMs, we make sure that access is available to as many user groups as possible. All Commerzbank automated teller machines have been fitted with a “read out” function for visually impaired clients who wish to make payments.

We have set ourselves goals for even greater financial inclusion. An important example is our round-the-clock availability for customers, regardless of where they are, via the mobile app, web and telephone channels, which we will make even more accessible in the future. With that we want to ensure that our private customers can access and use our products, services and information, regardless of their individual abilities or limitations. This means that digital offers as well as personal conversations with an advisor remain at the core of our customer service.

For Corporate Customers Commerzbank provides a “Green Ecosystem” for issues relating to sustainability that are beyond our core competencies. This ecosystem is being continually expanded.

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 2023/2024 school year, 35 Commerzbank employees volunteered as school advisors. Top management executives volunteered as jury members at regional finals and the European finals, where students were given awards for business ideas they developed.

Operational commitment for the benefit of society - Donations, foundations and actions

One example of our social and environmental engagement is the Commerzbank environmental internship launched with the German national parks back in 1990. In 2023, it again provided around 60 students with practical experience in the areas of environmental education and public relations in national parks and biosphere reserves. Commerzbank finances the internships, while the umbrella organisation Nationale Naturlandschaften e.V. organises the programme, and the protected areas provide the interns with hands-on training and support. More than 2,000 students have now completed an environmental internship and subsequently applied their experience to business, politics, society or environmental protection.

Since 2018, Commerzbank and Bergwaldprojekt e.V. have been working closely together on various projects. As a result, the overall cooperation with Bergwaldprojekt e. V. – including as part of our sustainable asset management - has reached the impressive reforestation area of more than one million square metres of public forest at 37 locations, which corresponds to the size in total of more than 160 football fields.

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GRI 203-1
GRI 203-2

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In 2023, Commerzbank employees again had the opportunity to participate in the so-called spare cent donation, which rounds pay down to the nearest full euro amount and donates the difference. Approximately 25,000 Euros were donated for social organisations.

The Hamas terrorist attack on Israel likewise caused a great deal of shock and dismay at Commerzbank. In order to send a clear signal against all forms of hatred and anti-Semitism, we took a stand on the issue in October 2023 by means of an advertisement in two national Sunday newspapers, together with numerous other German companies.

As in the previous year, Commerzbank decided not to produce a major Christmas film for its customers in 2023 and donated the money instead. Together, the Bank, employees and customers raised over €300,000. In 2023, brotZeit e. V. – an organisation that promotes equal opportunities by providing free breakfasts at primary schools and schools for children with special educational needs – benefited from this campaign.

Smaller campaigns are also organised, such as the comdirect gourmet block campaign, which raised around €100 for the Sternenbrücke children’s hospice by selling restaurant voucher booklets to employees.

Commerzbank AG in Germany also donated a total of €690,113 to various institutions and organisations in the year under review.

For more information about Commerzbank’s commitment to society, please see the [Annual Report 2023](#) (p. 74) as well as the [sustainability portal](#).

Various foundations supported by the Group over the long term also make a significant contribution to society. The common goal of all foundations is to make a lasting contribution to the further development and future viability of society. The funding focuses are as follows:

- As a corporate foundation, [Commerzbank-Foundation](#) promotes the social responsibility of its founding company to work towards a society fit for the future. Its motto is: participation creates the future. With its independent foundation, Commerzbank takes responsibility for its sustainable commitment to be a “good citizen” of the community that goes beyond its actual business activities. Since its establishment in 1970, the Commerzbank Foundation has built up many sustainable partnerships across Germany and has thus become a firmly established provider of support in the world of German foundations. In its more than 50- year history, it has provided a total of around €40m to support well over 1,000 projects relating to cultural, social and scientific activities. Its partnership network ranges from museums and theatres to nonprofit social organisations and scientific institutions, from national lighthouse projects to exemplary local initiatives. The funding always supports cultural education and mediation, social participation for disadvantaged people and incentives for young researchers.

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GRI 203-1
GRI 203-2

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- In addition, seven social foundations have been established to provide financial support to the Bank's employees and retirees in unforeseeable emergencies. The common aim of all the foundations is to make a long-term and sustainable contribution to the future viability of society. Four of the foundations provide financial support throughout Germany to employees and retired members of the bank, who are in distress through no fault of their own. Three regional foundations also enable needy and eligible apprentices of Commerzbank to commence their apprenticeship or support, employees in need, pensioners, and families of deceased in their respective districts.

Decisions on which projects to support are taken by the individual foundation's board of trustees in accordance with the objectives of the foundation concerned.

The endowment capital of each and their sponsorship volumes in the year under review are shown in the following tables.

Commerzbank provided a total of 638,000 euros in funding for these foundations in 2023, covering expenses such as staff, workstations, premises costs and other operating costs.

Sponsorship volume of foundations supported by Commerzbank € rounded	2021	2022	2023
Commerzbank Foundation	883,000	970,000	945,000
Charitable foundations	451,550	447,007	432,719
Total	1,334,550	1,417,007	1,377,719

Endowment capital of foundations supported by Commerzbank € million rounded	2021	2022	2023
Commerzbank Foundation	63.0	63.0	63.0
Charitable foundations	21.16	21.7	21.7
Total	84.16	84.7	84.7

GRI 3-3

SDG 16

UNGC 10

Management of material topics

In our fight against corruption and bribery, we go further than simply focusing on statutory requirements such as the German Criminal Code, the UK Bribery Act or the US Foreign Corrupt Practices Act. We also adhere to the principles of the UN Global Compact and the Guidelines for Multinational Enterprises from the Organisation for Economic Co-operation and Development (OECD) and comply with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

We also consider recognised international standards such as the recommendations of the Financial Action Task Force on Money Laundering (FATF) and the Wolfsberg Anti-Money Laundering Principles (or “Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance”).

These external standards are supplemented with internal guidelines, this includes binding behavioral principles that provide an orientation framework for correct and integrity behavior. These guidelines are reviewed at least annually and updated as needed. Commerzbank’s Global Anti-Bribery and Corruption Policy (ABC Policy) actively seeks to combat bribery and other forms of corruption. This policy includes further individual measures that are valid throughout the bank, such as specific requirements in the range of gifts and invitations. In addition, our business partners are continuously checked for corruption-relevant hits in commercial databases on a risk basis during the initiation of business and also in the course of the business relationship. Newly negotiated contracts between Commerzbank and service providers have included a binding integrity clause for several years.

Regular internal and external communication, various training formats as well as the Global Code of Conduct and other concrete procedures and process descriptions round off these measures. Compliance accompanies and advises business units with development of processes and transactions.

It is the highest principle to meet all economic criminal acts with zero tolerance. For this reason, Compliance welcomes any relevant information.

In 2009, Commerzbank set up a whistleblowing platform, the Business Keeper Monitoring System (BKMS), alongside the tried-and-tested contact channels, such as the Compliance departments. This was partly based on regulatory requirements, most recently the EU Whistleblowing Directive. Customers, employees and third parties can use this online system to report any suspicions of financial crime or any violations of statutory, regulatory and internal instructions at Commerzbank, and they may opt to do so anonymously. Anyone who reports in good faith and to the best of his or her knowledge shall, to the extent possible, be protected by applicable law against unfair treatment, dismissal or other detriment as a result of his or her disclosure, even if it becomes apparent in the course of the investigation that the reported suspicion is unfounded.

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GRI 3-3

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The coordination of the violations reported herein is carried out by the internal reporting authority and local compliance units. These are processed by the respective responsible and specialised internal departments, subject to the principles of confidentiality. Due to the diversity of the reported cases and the different parties involved, there are several specialised departments processing these cases. Consequences depend on the case and can include both civil and criminal proceedings. If internal employees are involved in the crime, these cases are transferred to the consequences management (please see [GRI 2-27](#)).

With the aim of avoiding or appropriately resolving potential conflicts of interest, we have implemented a comprehensive system for managing conflicts of interest. A comprehensive and clearly written set of rules has been implemented, including control governance. Within this framework, we apply the following instruments, for example: The Conflict of Interest Tool was introduced. This tool is used to compile data on relevant transactions worldwide, including in the corporate customer and capital market business, and to examine the transactions for potential conflicts of interest. Furthermore, a cooling-off procedure has been introduced that implements the specifications of the Minimum Requirements for Risk Management AT 4.3.1. In the lending business, conflicts of interest are managed in accordance with the requirements of a number of guidelines, including the EBA Guidelines on loan origination and monitoring (EBA/GL/2020/06) and, for example, the EU Directive 2013/36/EU and the final report on guidelines on internal governance under Directive 2013/36/EU (EBA/GL/2021/05, 2 July 2021). Furthermore, the Conflict of Interest Matrix is used to mitigate the risk of conflicts of interest. It identifies general, abstract situations involving conflicts of interest and defines how to identify and implement the measures that need to be taken to avoid them. In addition, there is an established system for reviewing and handling conflicts of interest for new hires, secondary employment, mandates, participations and in the purchase of goods and services. Group-wide compliance with conflict of interest standards is enforced through an operative legal entity governance management system.

Group Compliance strongly opposes attempts at market manipulation and are committed to preserving the integrity of the markets and our clients' need for protection. To this end, the Bank has implemented effective regulations, systems and procedures for the prevention and detection of insider trading and market abuse. In particular, the Bank has a global trading monitoring system in place, which is used to monitor the Bank's transactions. This risk-based monitoring is based on indicators of market abuse. Conspicuous transactions are reported to the relevant regulators. In addition, the Bank's employees are categorised by their relevance for potential insider trading and, where necessary, their relevant personal transactions are also monitored.

GRI 205-1

SDG 16

UNGC 10

Operations assessed for risks related to corruption

Compliance risk analysis is one of the core elements of risk management. It assesses the inherent risk arising from business activities with different customer groups and products. Within the scope of a control assessment, this is compared with an evaluation of the corresponding control environment to mitigate the inherent risk. This results in a residual risk. Measures to further improve risk management (such as the introduction of additional controls) are defined where necessary and their implementation is tracked. The risk analysis is carried out annually and covers all divisions, branches and Group companies in Germany and abroad that are classified as relevant.

The risk analysis includes a dedicated section on corruption, in which the relevant risks and control activities carried out by these entities are assessed. The potential corruption risks considered in the risk analysis essentially comprise benefits (gifts and invitations), business partner compliance, lobbying as well as donation activities, hiring and personnel processes. No significant corruption risks have been identified in this process.

For 2023, all 26 domestic and foreign business units relevant to the “Fraud and ABC risk analysis”, including relevant subsidiaries (100% of the relevant operating sites), were examined for potential bribery and corruption risks and the associated control environment.

GRI 205-2

SDG 16

UNGC 10

Communication and training about anti-corruption policies and procedures

To assist employees in implementing the guidelines, all Commerzbank AG employees must complete an annual web-based training course. External personnel are also required to complete web-based compliance training. This training includes, for example, rules on dealing with benefits. Business and functional units with a higher risk profile and persons who are exposed to a higher risk of bribery and corruption due to their role at Commerzbank receive additional targeted training.

Staff members have been appointed in all German units and at the foreign locations to act as local contacts for ABC subjects.

The Chief Compliance Officer also provides training on ABC-relevant topics for the Supervisory Board and the Board of Managing Directors.

Policies, instructions and procedures relating to the fight against bribery and corruption as well as other compliance-relevant topics under the responsibility of Group Compliance are published on an internal Portal, which is available in two languages worldwide. Local specifics are also coordinated published here in the form of addenda. The relevant users will be informed of changes to the regulations by the system via a notification function. In addition, the Bank’s intranet is used to provide targeted information on sub-items of the ABC-policy. For instance, in 2023, Commerzbank continued to publish guidance on how to handle gifts and invitations, which uses specific case studies to help people understand internal policies.

Employees of Commerzbank AG and members of the Supervisory Board and the Board of Managing Directors have access to the Bank’s intranet and the internal Bank portal.

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GRI 205-2

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The procurement-orientated ethics guideline clarifies existing rules of conduct in the context of procurement and thus provides all employees with a binding framework for behaving with integrity in procurement. Commerzbank has created concrete guidelines for sustainability risks that are particularly relevant to the business. Failure to comply with these may lead to disciplinary consequences. Commerzbank's Code of Conduct, for example, provides a binding framework for acting with integrity, covering the issues of bribery, corruption, tax evasion, discretion, money laundering prevention, insider trading and principles for dealing with one another in the workplace.

Commerzbank requires all suppliers and service providers to comply with laws and generally recognised standards. Specific requirements are written up in the integrity clause and must be fulfilled by all suppliers and service providers. By signing Commerzbank's integrity clause, Commerzbank's suppliers and service providers undertake to act with integrity in their business dealings. The Bank's internal integrity clause for contracts with external contractual partners also stipulates principles of behaviour.

GRI 205-3

SDG 16

UNGC 10

Confirmed incidents of corruption and actions taken

Commerzbank explicitly does not tolerate corruption or other criminal acts by employees. The Bank has a zero-tolerance approach to criminal offences. Any employee who is proven to have breached this principle will face the full consequences under employment, civil and criminal law.

As in in the previous years, there are no known cases of corruption in the Commerzbank Group in 2023.

GRI 3-3

SDG 16

UNGC 10

Management of material topics

As a legal entity with its registered office and management in Germany, Commerzbank AG is subject to unlimited tax liability in respect of its entire global income. In addition, it is subject to limited tax liability abroad with its respective branches and local income. Commerzbank is also subject to extensive tax obligations in respect of its business relationships with its customers and business partners.

Tax liability also entails tax risks. These risks are compounded by the complex tax environment in which the Commerzbank Group operates worldwide, which often requires interpretation. In addition, tax risks arise from uncertainties regarding the correct tax treatment in a wide range of jurisdictions due to rapid change, caused among other things by international requirements with national implementation as well as technological developments with which the national and international standard setters can only keep pace to varying degrees.

The Bank's tax strategy is derived from, among other things, the understanding of the Group as set out in Commerzbank's Code of Conduct. The principle that Commerzbank sees social acceptance of its activities as the basis for economic success is also of particular importance for its tax strategy.

We are convinced that, in this context, compliance with the applicable tax laws plays a particularly important role. Commerzbank conducts its business activities in accordance with this requirement in all jurisdictions and markets in which it operates. This applies not only to its own interests, but also to the interests of customers, employees, and business partners insofar as they affect Commerzbank.

In line with the corporate culture objectives as set out in Commerzbank's strategy, the globally binding Code of Conduct, the Group Tax Strategy and in compliance with the continuously increasing transparency and documentation requirements and the statutory framework, Commerzbank AG is also required to establish a comprehensive Tax Compliance Management System (TCMS) framework to support and protect all employees and executives in performing their tax obligations. Process deficiencies in particular which, if viewed critically, could result in prosecution under criminal law, such as criminal tax investigations due to organisational culpability, must be identified at an early stage and, if possible, prevented. Against this background, Group Tax has developed a number of measures, including a Group Tax Linking Guideline. The adoption of such a guideline also meets the requirements based on IDW Practice Statement 1/2016 on Auditing Standard 980 ("Design of and Assurance Engagements Relating to Tax Compliance Management Systems in Accordance with IDW PS 980").

In order to take account of the zero-tolerance approach with regard to tax offences, Commerzbank has also established numerous internal management and control systems, the tax compliance programmes. The Group Tax Compliance Management division is responsible for tax risk management and, in cooperation with the other Group Tax departments and divisions, for identifying and assessing tax risks. If required, these risks are then further minimised through appropriate measures and controls.

GRI 207-1

SDG 16

Approach to tax

In accordance with our [Code of Conduct](#), we reject any form of tax evasion, whether it involves our customers, our company or our business partners, regardless of the infringement. It is therefore our utmost priority to comply with the applicable laws and regulatory provisions to combat tax evasion and other tax offences in the markets and jurisdictions in which we operate. These principles as well as tax legitimacy aspects are taken into account in all business actions and decisions. As a result, we have implemented a tax compliance programme to combat aiding and abetting tax evasion based on the UK COO (Corporate Criminal Offence of Failure to Prevent Facilitation of Tax Evasion).

In addition, our conduct is geared towards avoiding offences against tax law with the TCMS.

Furthermore, we do not support customers in avoiding taxes if this is contrary to the intention of the respective law. We also pay attention to tax compliance when designing new products.

We also comply with all tax transparency regulations and initiatives, such as the Foreign Account Tax Compliance Act (FATCA), the OECD Common Reporting Standard (CRS), US Qualified Intermediary (QI), and country-by-country reporting (CbCR) (please see [GRI 207-4](#)).

The TCMS ensures that internal and external regulations are adhered to and that undesirable tax practices are identified and eliminated at an early stage. The aim is to fulfil our tax obligations fully, correctly and in a timely manner, thus avoiding compliance-related tax risks. Through its function as Global Functional Lead (GFL), Group Tax ensures that a uniform understanding of the tax strategy prevails at all Commerzbank locations and that the tax strategy is implemented accordingly. The respective competencies and responsibilities are clearly and unequivocally defined, for instance within job descriptions, and the main processes are documented in the Bank's rules and regulations.

These principles and approaches are mandatorily enshrined in Commerzbank's internally published tax strategy, which applies to the entire Group. It is regularly reviewed by the Head of Tax and concretised in various individual guidelines. In addition, the UK Tax Strategy, which is published on the Internet and freely accessible under the UK Finance Act 2016, applies to the UK. The Group-wide tax strategy defines a global framework for the entire Commerzbank Group, while the UK Tax Strategy focuses on the UK in order to comply with the aforementioned UK law.

Commerzbank's business model does not aim to be represented in tax havens. Due to the revision of the "Common EU list of third country jurisdictions for tax purposes" as of 14 February 2023 and the inclusion of Russia in the list, Commerzbank is present in one of the listed countries via Commerzbank (Eurasija) AO. Beyond this, there are still no branches located in a listed location.

GRI 207-2

SDG 16

Tax governance, control, and risk management

The responsibility for meeting tax obligations at Commerzbank AG rests first and foremost with the full Board of Managing Directors. The Board of Managing Directors' assignment of responsibilities provides for this responsibility to be assigned to the CFO, who, in turn, delegates it to the Head of Tax. The Head of Tax is responsible for Group Tax and, via the GFL, for tax issues within the Group (please see [GRI 207-1](#)).

The identification, management and monitoring of tax risks are carried out as part of Commerzbank's Tax Risk Management Process (TRM). TRM serves as an early-warning system for tax risks and is intended to identify and evaluate them in accordance with the principles of IAS (International Accounting Standard) twelve. In addition, TRM allows for the precise understanding of the tax risks existing within the Group in order to derive the necessary mitigating measures. Tax risks which also meet the criteria of operational and non-financial risks are additionally included as such in operational risk reporting (OpRisk) and in the management process for non-financial risks (NFR).

Commerzbank's TCMS is based on the seven pillars of the IDW Assurance Standard 980 and the corresponding "IDW Practical Note 1/2016" ("IDW Praxishinweis 1/2016") regarding TCMS design. This includes the implementation of web-based and other tax compliance training as well as an annual analysis of the tax compliance risk, from which the necessary measures are derived.

Compliance with tax regulations and the corresponding risk and control framework is monitored by Group Tax TCM at several levels. The most notable monitoring measures include:

- a) Collection of data via detailed tax type-specific risk control matrices with the aim of further systematising the measures already taken, supplementing them in a meaningful way and developing them into a holistic, efficiently controllable TCMS. The tax type-specific risk control matrices will be gradually transferred to a tool-supported regular system following their initial collection. The focus here is on achieving a complete preventative view of the risks inherent in the process and their mitigation (appropriateness) and establishing adequate and auditable management of the risks and the principles, measures and controls that counteract them (effectiveness and efficiency);
- b) Implementing risk-oriented TCM safeguards annually as well as reviewing and evaluating adequacy and effectiveness of existing (key) controls as part of the annual ICS cycle;
- c) Conducting an annual compliance risk analysis regarding the avoidance of aiding and abetting tax evasion (based on the UK Corporate Criminal Offence (CCO), see [GRI 207-1](#));
- d) Quarterly "Anti-Tax Offences Measurements" reporting, which serves to monitor the risk situation with regard to tax offences or tax offences in the International Financial Reporting Standards' (IFRS) scope of consolidation for Commerzbank;
- e) Quarterly Tax Risk Management reporting, aimed at tax risk management at Commerzbank Group for the IFRS consolidation group and as part of the overall strategy of Group Tax as 2nd Line of Defence.

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GRI 207-2

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The results from each of the topics mentioned above are presented to the Board of Managing Directors and the Audit Committee within the framework of the TCM Annual Report. In addition, recurring tax compliance audits are conducted by the Group's internal Audit Department (most recently in Q4/2023).

Incidents or suspected cases of tax fraud can be reported to the Bank internally or by third parties using the established communication channels of the compliance function. These include the [whistle-blowing system](#) (please see [GRI 2-25](#) as well as [GRI 205: 3-3](#)) or Suspicious Activity Reporting (SAR).

Tax reporting in the [annual report](#) is audited by the auditor as part of the audit of the annual financial statements.

GRI 207-3

SDG 16

Stakeholder engagement and management of concerns related to tax

The concerns of stakeholders are addressed as part of regular communication, for instance in meetings and in reporting. Significant tax issues and projects are also presented to the Board of Managing Directors for information or approval. In order to take the perspectives of the various stakeholders into account in the decision-making process, external expert opinions are also obtained as appropriate.

To ensure partnership-oriented cooperation with the tax authorities, Group Tax maintains an intensive, transparent and constructive exchange with the responsible local tax authorities. Contacts are also maintained with the finance ministries.

Group Tax also actively participates in the tax committees of various institutions, such as the Association of German Banks (BdB) and the Chamber of Industry and Commerce, in order to identify tax law trends in good time and to be able to react to them. Regular or at least incident-related cooperation is also maintained with the banking supervisory authorities.

The public prosecutor's offices in Frankfurt and Cologne are investigating certain equity transactions conducted around the dividend record date (so-called cum-ex transactions) by Commerzbank and the former Dresdner Bank in the past. Commerzbank is cooperating fully with the investigating authorities within the scope of these investigations. Further information can be found in the [Annual Report 2023](#) on pages 251 and 367.

GRI 207-4

SDG 16

Country-by-country reporting

Commerzbank reports in detail on its tax position as part of its IFRS annual reporting. One part of this is country-specific reporting. This includes all countries in which Commerzbank is represented with tax-relevant units and is described in the [Annual Report 2023](#) on page 381. Detailed information on the names of the companies domiciled in the countries and their business purpose can be found in the in the [Annual Report 2023](#) on page 386 and following.

Country-by-Country Reporting	Turnover	Pre-tax profit or loss	Taxes on income ¹	Employees
31.12.2023	€ m	€ m	€ m	number
Germany	8,430	3,147	961	24,491
China including Hongkong and Shanghai	16	-26	2	135
France	93	47	12	87
United Kingdom	702	482	6	526
Luxembourg	94	103	-10	124
Netherlands	57	78	13	46
Poland	1,309	222	211	8,912
Russia	74	51	8	126
Singapore	138	65	9	316
USA	127	-14	-5	272
Others	266	102	13	1,871

¹The difference between the tax ratios and nominal tax rates in the different countries largely derives from effects relating to the retrospective recognition or impairment of deferred taxes and from taxes for prior years (for instance recognition and release of tax provisions).

GRI 3-3

SDG 7, 12, 13

UNGC 7, 8

Management of material topics

We are committed to making a positive contribution towards achieving the Paris Climate Agreement through our business activities. This also applies in particular to our operational environmental management. To this end, we want to reduce our energy consumption and raise awareness among our employees, suppliers and service providers accordingly.

As such, operational environmental protection and the systematic reduction of resource consumption at Commerzbank are key components of our sustainability concept. In order to reduce the Bank's environmental footprint in 2023, we continued working on the various measures for implementing our climate strategy (please see [GRI 305: 3-3](#)) and on continuously refining our certified environmental and energy management systems. This concerns the areas of energy, emissions, resource consumption and environmental compliance.

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. The COO is responsible for environmental matters within the Board of Managing Directors.

Environmental and energy management falls within the remit of the Group's Organisation & Security unit, which reports directly to the Board of Managing Directors. Operational environmental protection is also closely connected to many other departments to ensure that Commerzbank's environmental guidelines are applicable to all areas of the Bank and to influence the Bank's business activities. Environmental- and energy-related measures are decided through line functions leading through to the full Board of Managing Directors. The environmental and energy management system and its regular reports give the full Board of Managing Directors a broadened basis for their decision-making. Through its environmental guidelines, Commerzbank has defined and published clear rules for conducting business in an environmentally responsible way.

Commerzbank and its eleven subsidiaries have an integrated environmental and energy management system. This defines the responsibilities, behaviour, processes and specifications for the implementation of the operational environmental and energy policy and documents them in a structured manner. The focus is on optimising resource consumption, particularly where we can have a direct impact on the environment, such as in building management and business trips.

The system has been certified by DNV Business Assurance Zertifizierung GmbH in accordance with the ISO 14001 and ISO 50001 standards. Local environmental and energy data is collected annually for all Commerzbank AG locations in Germany and abroad, and thus also beyond the boundaries of the environmental and energy management system. With the help of Energy Performance Indicators (EnPIs), these are used for planning, evaluating and controlling environmental measures.

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GRI 3-3

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The commuter traffic figures were only calculated in Germany, as the necessary statistical base data is not available for other countries.

Commerzbank's approximately 500 buildings (as per end 2023) in Germany have been supplied completely with green electricity since 2013. Our energy suppliers duly enter the guarantees of origin for our green electricity in the register of guarantees of origin, which excludes the possibility that a guarantee could be sold to the consumer more than once. These comprise European Energy Certificate System (EECS) guarantees of origin from hydroelectric plants that are not older than seven years and wind power plants (maximum share 20 % per year).

Two new energy targets were set in 2020. It is planned to reduce total energy consumption by an average of 2 % per year by 2025 compared to 2018. By the end of 2023, 43.7 % had already been saved compared to 2018. In addition, electricity consumption per fulltime employee is to be kept constant until 2025 compared to the base year 2018 - despite increasing digitalisation. To date, this goal has been achieved and even significantly exceeded.

In particular, the conversion of fans to electronic commuted (EC) technology with higher efficiency and reduced noise emissions, the optimisation of the operating times of the recirculating air cooling units in the service centre, as well as illuminated advertising systems in branches have led to further energy savings. The continued use of LEDs for lighting continued also made a contribution.

Commerzbank participates together with other Frankfurt-based companies in the "Energieeffizienz-Netzwerke" (Energy Efficiency Networks Initiative), organised jointly by the Federal Government and business associations and organisations. Besides implementing energy-saving measures, this project is also focused on an intensive dialogue between the companies involved with the assistance of independent energy adviser.

GRI 302-1

SDG 7, 12, 13

UNGC 7, 8

Energy consumption within the organization

For the carbon footprint, the environmental data for the German and the foreign branches are collected separately and recorded in megawatt hours (MWh).

At Commerzbank AG Germany, approximately 55 % of heat energy is obtained from natural gas and around 43 % is obtained via district heating. The share of renewable energy from indirect energy consumption is 68.75 % for the 2023 reporting year. The sites in Germany are supplied with 100 % green electricity from run-of-the-river hydroelectricity power plants.

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GRI 302-1

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Outside Germany, more than 60 % of heat energy is generated with natural gas. The Amsterdam location is 100 % heated with green electricity via a geothermal power plant and the Luxembourg location retrieves 100 % of its power from storage hydropower plants. 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 1.2 % in Germany. No oil heating systems are operated at the international locations.

Direct energy consumption at Commerzbank AG without renewable energies MWh	2021	2022	2023
	AG in total	AG in total	AG in total
Natural gas	61,670	68,802	48,973
Heating oil	2,767	1,532	1,079
Diesel for back-up power	311	407	373
Fuel ¹	11,111	22,208	24,802
Total	75,859	92,949	75,227

¹ Commuter traffic excluded; fuel consumption outside Germany was determined on the basis of mileage (km) and presumed average fuel consumption.

Indirect energy consumption at Commerzbank AG (electricity and direct heating) MWh	2021	2022	2023
	AG in total	AG in total	AG in total
Energy consumption (electricity)	151,534	131,944	126,305
Energy consumption (district heating)	74,271	44,654	38,382
Total	225,805	176,598	164,687

GRI 302-3

UNGC 7, 8

Energy intensity

Energy intensity represents energy consumption per full-time employee (FTE) in gigajoules (GJ). Commerzbank AG's total energy consumption for 2023 amounts to 863,858 GJ with 25,716 FTEs (as at 30 September 2023) being used for the calculation. The energy intensity for the 2023 reporting year is 34 GJ/FTE.

GRI 302

Energy

GRI 302-4

SDG 12, 13

UNGC 7, 8

Reduction of energy consumption

The successful implementation of the location strategy has further reduced energy consumption for 2023. Commerzbank's direct energy consumption fell from 92,949 MWh in the previous year to 75,227 MWh. This is a decline of around 19 %. The reduction is attributable to the optimisation of floor space and energy-saving measures due to the energy crisis. As a result, it was also possible to compensate for the increase in fuel consumption.

Indirect energy consumption shows a further decrease of 6.7 %. Specifically, indirect energy consumption was reduced from 176,598 MWh in 2022 to 164,687 MWh in the 2023 reporting year. This drop in energy consumption is due in particular to the fact that district heating consumption (-14.5 %) and electricity consumption (-4.3 %) have decreased in Germany and abroad. Measures controlled via the energy management system, such as optimisation of air conditioning systems, lighting, operating times and IT infrastructure, helped to achieve this result. At 2,889 MWh, electricity consumption of employees working from home accounted for 2.3 % of total electricity consumption.

Global business travel has once again increased significantly compared to 2022. Business trips by plane have increased by 73.1 %. Business trips by rail have increased by 85.6 % and business trips by car by 21.2 %.

GRI 304

Biodiversity

GRI 3-3

SDG 13, 14, 15

UNGC 7, 8

Management of material topics

Global economic performance hinges on functioning ecosystem services. A look at the current state of ecosystems and species inventories makes it clear that the time for action is now. For this reason, Commerzbank is also increasingly addressing the issue.

Consequently, the result of our new materiality analysis from 2022 showed that biodiversity is one of our three most relevant topics in terms of environment and climate. Compared to the previous materiality analysis, biodiversity has become more important for us as a bank. The results of the materiality analysis were incorporated into the annual Bank-wide strategy process and discussed at the level of the Board of Managing Directors

In principle, Commerzbank's governance structure takes a holistic view of ESG, with decision-making bodies such as the Group Sustainability Board, advisory bodies such as the Sustainability Advisory Board, and operational units such as Environmental Risk Control that consider both climate and biodiversity issues and risks. Relevant external stakeholders are for example involved via Commerzbank's Sustainability Advisory Board. This is made up of representatives from politics, the academic community, society, NGOs, trade unions and SMEs and enables environmental, social and governance aspects to be fully taken into account in the decision-making process. External perspectives are of great importance to us, which is why we are also committed to the sustainable use of global biodiversity together with other companies and have been part of the Biodiversity in Good Company Initiative (BiGCI) since March 2022. The initiative acts as a dialogue platform for the continuous development of biodiversity management. By communicating best practices, companies and economic stakeholders are to learn from one another.

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GRI 3-3

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Commerzbank also joined the Task Force on Nature-related Financial Disclosures (TNFD) in 2023. This is a global initiative that has set itself the goal of developing a framework for companies and financial institutions that uniformly assesses and discloses nature-related risks and opportunities, thereby enabling an overarching reporting standard. Commerzbank wants to support this and has used the TNFD guidelines as a reference for the first time in the Non-financial Report 2023. We expect future reports to fulfil the requirements of the TNFD more comprehensively and in greater detail thanks to an improved data basis and methodological enhancements. To underpin the methodological and conceptual progress required in defining biodiversity targets, we actively participated in the Nature Target Setting Working Group of the UNEP FI Principles for Responsible Banking, which published its results in November 2023.

Our policies and guidelines for the customer business have also included environmental and biodiversity aspects for many years, verifying adherence to minimum standards. Ecological factors, such as reports on harmful effects on areas worthy of protection (for instance High Conservation Value Areas and UNESCO World Heritage Sites), the use of environmentally harmful chemicals or illegal slash-and-burn practices, are taken into account as part of a case-by-case assessment. In December 2023, we also adopted a new policy and objectives on deforestation – an issue that plays a key role in the conservation of biodiversity and therefore also in climate protection. With this target in mind, we set concrete requirements for our customers in sectors and regions where this is a relevant issue to measure their commitment to combating deforestation.

Further details on our commitment to the sustainable use and protection of global biodiversity can be found in the [sustainability portal](#).

The classification of biodiversity risk for material risk types is a central component of the annual materiality analysis. Physical and transition biodiversity risks are analysed and assessed consistently in the short, medium and long term.

On the one hand, physical biodiversity risks can arise from the loss or degradation of ecosystem services on which economic activities depend, such as the deterioration of water availability or soil quality. On the other hand, physical risks can also occur as a result of natural disasters that are triggered or exacerbated by the loss of biodiversity. Transition risks, however, arise from the process of transitioning towards a more sustainable and environmentally friendly economy. Risk triggers include regulatory changes or accusations of greenwashing.

Following the initial 2022 report, the scope of the analysis was expanded and the methodology was improved in the reporting year. The expert-based materiality assessment of biodiversity risks and their impact within the Bank includes a driver and transmission channel analysis, which was further supported by a qualitative consideration of biodiversity-related scenario narratives aligned with the narratives of the Task Force on Nature-related Financial Disclosures (TNFD). The "Ahead of the Game" scenario focuses on transition risks, while the "Sand in the Gears" scenario focuses on physical risks.

To summarise, credit risk, reputational risk and business risk are materially affected by biodiversity risks. The focus here is primarily on medium- and long-term transition risks.

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GRI 3-3

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The core of the physical risk analysis for credit risk is the assessment of the dependence of ecosystem services on sectors in which Commerzbank is represented through credit engagements. The risk assessment additionally incorporated external data from ENCORE, which assesses the degree of dependency on ecosystem services per sector. The evaluation of the dependence of an economic activity on ecosystem services was considered together with the business volume in the respective sector. According to the materiality analysis, some sectors are more dependent on ecosystem services, such as wholesale and the chemicals and food sectors. Overall, around 10 % of the portfolio has a high dependency and around 29 % has a medium dependency on ecosystem services. The main driver of physical biodiversity risks is dependence on water.

In the case of transition biodiversity risks for credit risk, the assessment included the adverse impact of business activities on the environment and the potential consequences resulting from anticipated future regulatory changes to protect biodiversity. According to the assessment, a high transition risk exists if both the adverse impact and the foreseeable regulatory changes are deemed likely. Commerzbank identified the chemicals and beverages sector as well as the extraction of crude oil and natural gas as high transition risk sectors for the Bank. Overall, 4 % of the portfolio was rated as having a high transition risk, and 24 % a medium transition risk. In summary, the materiality analysis found that physical biodiversity risks are relevant to credit risk. The potential impacts on biodiversity identified as part of the risk analysis are analysed in more detail in the [GRI 304-2](#) section.

A more in-depth analysis is planned for the future following the approach used for climate risks, which will be supported by relevant scenarios – where available – and more advanced assessment methods. A quantitative analysis of water risks, the largest risk driver in the portfolio, is also planned for 2024.

Material risk types	Biodiversity risk materiality assessment					
	Physical risks			Transition risks		
	Short term ¹	Medium term ¹	Long term ¹	Short term ¹	Medium term ¹	Long term ¹
Credit risk <small>(including counterparty risk)</small>	No	No	Yes	No	No	Yes
Market risk	No	No	No	No	No	No
Operational risk <small>(including compliance and cyber risk)</small>	No	No	No	No	No	No
Reputational risk	No	No	No	No	Yes	Yes
Property value risk	No	No	No	No	No	No
Business risk	No	No	No	No	Yes	Yes
Liquidity risk	No	No	No	No	No	No
Model risk	No	No	No	No	No	No

¹ The short-term time horizon is up to one year, the medium-term time horizon two to five years, and the long-term time horizon more than five years (at least ten years were considered).

GRI 304-1

SDG 6, 14, 15

UNGC 7

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

To assess the impact of our own activities on local biodiversity, we used the Risk Filter from the World Wide Fund For Nature (WWF) to analyse all of our operating sites in Germany. The tool enables us to recognise and assess the nature-related impacts and risks of our business activities. The analysis revealed that none of our locations have an increased impact on biodiversity. Furthermore, none of Commerzbank’s sites are located in particularly protected or sensitive areas (“key biodiversity areas”).

GRI 304-2

SDG 6, 14, 15

UNGC 7

Significant impacts of activities, products and services on biodiversity

In order to lay the foundations for future management of our biodiversity impact, we conducted a second biodiversity-specific impact analysis in 2023, revised and expanded compared to the previous year, using the “ENCORE” tool. ENCORE provides a science-based link between economic activities and biodiversity-damaging impacts. In our analysis, we compared the business volume of the sectors we finance with the tool’s external data.

As a major financier of the German economy, we are also active in sectors that have an adverse impact on biological diversity. Compared to the overall portfolio, however, we have little exposure to some of the hardest-hit sectors (agriculture or the textile industry, for example). Sectors with elevated impacts on biodiversity that have a sufficiently large exposure include the energy and automotive sectors. Water consumption, soil and water pollution, and waste have been identified as key drivers of biodiversity impacts across our portfolio.

Significant sectors with an increased negative impact on biodiversity

NACE code	Sector	Portfolio share
35	Energy supply	4.9 %
46	Wholesale (excluding motor vehicle trade)	3.5 %
29	Manufacture of motor vehicles and motor vehicle parts	2.6 %
28	Mechanical engineering	2.4 %
20	Manufacture of chemical products	1.5 %

The impact analysis enabled us to identify potential fields of action and strategic priorities and we plan to develop further analyses, measures and products to protect biodiversity. The main challenges in determining biodiversity-related impacts are the availability of relevant data and a lack of standardised metrics and targets. We are therefore striving to make further improvements to the data basis (for example, in relation to location-specific data) and consequently to the results of the impact analysis. Relevant further developments in the analysis include, for example, the consideration of reversibility and the duration of the effects. The required data basis is currently not available.

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GRI 304

Biodiversity

GRI 304-3

SDG 6, 14, 15

UNGC 7

Habitats protected or restored

For many years, our policies and guidelines for the customer business have also included environmental and biodiversity aspects and checked adherence to minimum standards. Ecological factors, such as reports on harmful effects on areas worthy of protection (for instance High Conservation Value Areas and UNESCO World Heritage Sites), the use of environmentally harmful chemicals or illegal slash-and-burn practices, are taken into account as part of a case-by-case assessment. In December 2023, we also adopted a new policy and objectives on deforestation – an issue that plays a key role in the conservation of biodiversity and therefore also in climate protection. With this goal in mind, we define specific requirements for our customers in sectors and regions impacted by deforestation with regard to their commitment to combating deforestation.

In addition, we used the WWF Risk Filter to carry out an initial location-based impact and risk analysis for our agricultural portfolio. The analysis showed that around 17 % of our customers from the agricultural sector are located near sensitive locations (“key biodiversity areas”). The next step will be to develop further activities based on these results. For the future, we are also aiming to improve our database so that we can carry out similar analyses for other sectors and make statements about the size and exact location of protected or restored habitats and the status of the areas.

The Commerzbank environmental internship programme has been helping to protect nature and thus safeguard important habitats together with German national parks since 1990 (see [GRI 203-1](#)).

GRI 305

Emissions

GRI 3-3

SDG 12, 13

UNGC 7, 8

Management of material topics

The overarching approach to environmental and energy management regarding the Bank’s operations under [GRI 302: 3-3](#) also applies to GRI-305.

Commerzbank AG has been operating in a mathematically climate neutral manner in Germany since 2015. This involves offsetting previously unavoidable emissions by purchasing CO₂ certificates. Since 2021, this approach has also been applied to the foreign branches, so that banking operations of the entire Commerzbank AG are now mathematically climate neutral. Additional details on climate neutrality and criteria for selecting projects as well as cancellation confirmations for certificate purchases are available on the [sustainability website](#).

We want to take the next important step by 2040 and reduce the CO₂ emissions of our own banking operations to net zero. To achieve this ambitious goal, we set ourselves the interim target of reducing our greenhouse gas emissions by 30 % by 2025 (based on the base year 2018). We already achieved this goal in 2022, with CO₂ emissions of 78,402 tonnes, equating to a decrease of 34.9 %. We were able to reduce our operational carbon footprint even further in 2023, despite the resurgence in business travel.

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GRI 3-3

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In 2023, Commerzbank AG generated 76,591 tonnes of CO₂-equivalent total emissions. This is slightly higher than in 2021, which had been heavily impacted by coronavirus measures, but well below the emissions of previous years. The reasons for this include technical adaptations for energy efficiency in building management and changes in occupational mobility, as well as the progress made with implementing the “Strategy 2024” programme.

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 ecocontrolling in favour of CO₂ accounting, which involves implementing CO₂ substitution measures, such as the gradual switch to green electricity and projects to reduce CO₂.

In addition, special attention is paid to making travel activities as environmentally friendly as possible and thus preventing CO₂ emissions. The business travel policy therefore envisages rail as the preferred means of transport. This also means avoiding air travel wherever possible.

Internationally, the use of alternatives (such as tele or video conferencing) and the combination of several travel appointments is particularly emphasised. Audio and video conferencing systems support direct conversation and document exchange even without travelling. These media can also be used on the move, for instance in the home office. With the digital workplace transformation, line capacities for home office use were massively expanded and software rollouts were given higher priority.

With the current version of the Bank Vehicle Guidelines coming into force in July 2022, employees can solely choose between pre-configured vehicles with a maximum CO₂ emission of 134 g/km pursuant to the Worldwide Harmonised Light Vehicle Test Procedure (WLTP). The order of an electric vehicle is attractively financially supported by the bank through a monthly contribution. Fleet management is carried out by an external provider. For foreign countries, the International Car Guideline (ICG) (Version 1.5) of February 2024 is applicable with eleven country-specific annexes that govern local specifics. The bonus-penalty system successfully used in the past in Germany was transferred to the foreign locations. Vehicles with high CO₂ emissions are charged a surcharge, while environmentally friendly vehicles, especially e-vehicles, are financially supported. At the Frankfurt head office (incl. Eschborn), a total of 32 charging points are available in four buildings for Commerzbank employees' private electric vehicles.

With the corporate car sharing concept, fuel-efficient vehicles available throughout Germany are offered for temporary use. The vehicles comply with the latest emissions standards (EURO 6d temp) and ensure use even in the event of possible driving bans in inner cities. The average CO₂ emissions are to be reduced to below 100 g/km - also by offering electric vehicles (please also see [GRI 305-5](#)). With the corporate car sharing concept, the vehicle fleet is also kept up to date with the latest safety technology. Due to the heterogeneous requirements internationally, the corporate car sharing model only exists domestically. Electric vehicles are subsidised by the Bank as part of bank vehicle leasing.

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Furthermore, we provide our employees in Germany with special bicycle offers for a climate-friendly alternative to driving or public transport. On the one hand, Commerzbank employees can purchase high-quality bicycles, pedelecs or other e-bikes for private and business use via Bikelease. On the other hand, since 2020, Call a Bike bikes and since April 2022 also the bikes from Nextbike have been available to all Commerzbank employees throughout Germany for business travel.

The number of BahnCards 100 has climbed up by 17.5 %. Travelling by train within Germany with 100 % green electricity continues to make an additional contribution towards environmental and climate protection. DB also compensates for the indirect emissions caused in the upstream and downstream process. In addition, Commerzbank pays its employees in Germany a monthly mobility allowance of 20 Euros for commuting by public transport.

We have also set ourselves further ambitious targets for reducing CO₂ emissions in our credit and investment portfolio as well as in terms of supplier management. Particularly, we are pursuing the strategic sustainability goal of neutralising all our financed emissions, thus achieving Net Zero CO₂ emissions in our entire credit and investment portfolio by 2050 (see [Sustainable Finance 3:3](#)). In addition, we expect our suppliers to achieve climate neutrality by 2040 (see [GRI 308](#)).

GRI 305-1

GRI 305-2

GRI 305-3

SDG 3, 12, 13

UNGC 7, 8

Direct (Scope 1) GHG emissions

Energy indirect (Scope 2) GHG emissions

Other indirect (Scope 3) GHG emissions

Commerzbank determines its greenhouse gas (GHG) emissions on the basis of the standard developed by the Association for Environmental Management and Sustainability in Financial Institutions (VfU). This is based on international guidelines for environmental and climate reporting, such as the GHG Protocol, CDP and the Global Reporting Initiative. Emissions are calculated as CO₂ equivalents. To calculate the carbon footprint, consumption is first determined for the respective categories (such as paper and water consumption) and then converted into CO₂ equivalents using specified conversion factors. This results in aggregated CO₂ equivalents in the individual categories.

In our reporting on CO₂ emissions, we distinguish in accordance with the Greenhouse Gas (GHG) Protocol. Scope 1 designates the emissions caused directly, for example through the consumption of natural gas, heating oil or fuel. Scope 2 refers to emissions from purchased energy. These can be calculated based on either the energy mix actually purchased (“market-based”) or the statistical country mix (“location-based”). We use market-based scope 2 emissions to calculate our total emissions. Scope 3 captures other indirect emissions from the upstream and downstream value chain. These include paper and water consumption, business travel and commuting, and other emissions from energy supply. The indirect emissions from our financial products (“financed emissions”) are not included in the calculation of the operational CO₂ footprint. Information on the financed emissions and our SBTi-validated CO₂ reduction pathways for our credit and investment portfolio up to 2030 can be found under [Sustainable Finance: 3-3](#).

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GRI 305-1
GRI 305-2
GRI 305-3

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The consumption data, the data collection mode and the calculated CO₂ emissions have been verified since 2009 by the external company DNV Germany GmbH (DNV Business Assurance Zertifizierung und Umweltgutachter GmbH). As of the reporting year 2021, this also applies to the AG abroad (foreign branches and representative offices).

In 2023, Commerzbank AG generated 76,591 tonnes of CO₂-equivalent total emissions.

Carbon footprint at Commerzbank AG¹ (including representative offices)		2021	2022	2023 ²
t of CO ₂ equivalents				VfU 2023 ²
Scope 1: Direct GHG emissions				
Energy supply⁴				
	AG Germany	12,367	13,509	9,561
	AG abroad	744	695	570
Natural gas	AG Germany	11,529	13,015	9,201
	AG abroad	707	637	516
Heating oil	AG Germany	786	435	307
	AG abroad	0	0	0
Diesel for back-up power	AG Germany	52	59	53
	AG abroad	37	58	54
Business travel (company car)⁵				
	AG Germany	2,962	5,989	6,615
	AG abroad	42	286	90
Bank vehicles	AG Germany	2,823	5,769	6,395
	AG abroad	34	256	85
Pool vehicles	AG Germany	139	220	220
	AG abroad	8	30	5
Coolant and extinguishing fluid losses				
	AG Germany	43	593	541
	AG abroad	422	541	41
Coolant	AG Germany	43	593	541
	AG abroad	143	212	41
Fire extinguishing fluid	AG Germany	0	0	0
	AG abroad	279	329	0
Total Scope 1				
	AG Germany	15,373	20,091	16,717
	AG abroad	1,208	1,522	701
	AG in total	16,581	21,613	17,418
>>				

GRI 305-1
GRI 305-2
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Carbon footprint at Commerzbank AG ¹ (including representative offices) t of CO ₂ equivalents		2021	2022	2023 ²
>>				
Scope 2: Energy Indirect GHG emissions (market based)				
Energy supply	AG Germany	13,619	8,239	7,883
	AG abroad	4,624	4,618	4,984
Electricity ⁶	AG Germany	0	0	0
	AG abroad	4,101	4,132	4,519
District heating ⁴	AG Germany	13,576	8,007	6,887
	AG abroad	505	483	428
Traffic ⁷	AG Germany	43	232	996
	AG abroad	18	3	37
Total Scope 2 (market based)	AG Germany	13,619	8,239	7,883
	AG abroad	4,624	4,618	4,984
	AG in total	18,243	12,857	12,867
Scope 2: Energy Indirect GHG emissions (location based)				
Energy supply	AG Germany	68,594	54,448	52,768
	AG abroad	6,647	7,468	6,599
Electricity ⁶	AG Germany	54,976	46,209	44,884
	AG abroad	6,124	6,982	6,097
District heating ⁴	AG Germany	13,576	8,007	6,888
	AG abroad	505	483	465
Traffic ⁷	AG Germany	44	232	996
	AG abroad	18	3	37
Total Scope 2 (location based)	AG Germany	68,594	54,448	52,768
	AG abroad	6,647	7,468	6,599
	AG in total	75,241	61,916	59,367
>>				

GRI 305-1
GRI 305-2
GRI 305-3

Carbon footprint at Commerzbank AG ¹ (including representative offices) t of CO ₂ equivalents		2021	2022	2023 ³
>>				
Scope 3: Other indirect GHG emissions				
Paper consumption⁸	AG Germany	2,606	2,623	1,459
	AG abroad	26	21	22
Energy supply	AG Germany	8,422	7,521	5,877
	AG abroad	1,595	1,141	1,104
Natural gas (in upstream and downstream emissions) ⁴	AG Germany	3,425	3,866	2,733
	AG abroad	210	189	153
Heating oil (in upstream and downstream emissions) ⁴	AG Germany	117	65	46
	AG abroad	0	0	0
Diesel for back-up power (in upstream and downstream emissions)	AG Germany	8	9	8
	AG abroad	6	9	8
District heating (in upstream and downstream emissions) ⁴	AG Germany	3,570	2,106	1,811
	AG abroad	109	107	99
Electricity from renewable energies (pre-products and conversion losses)	AG Germany	471	395	384
	AG abroad	1,067	639	536
Energy mix (working from home)	AG Germany	832	1,080	895
	AG abroad	202	197	308
Business travel with indirect impact⁹	AG Germany	3,665	10,640	13,811
	AG abroad	223	3,728	7,343
Travel by airplane	AG Germany	228	4,683	7,198
	AG abroad	141	3,476	7,192
Travel by train	AG Germany	70	134	253
	AG abroad	7	16	12
GHG upstream and downstream emissions from direct road traffic	AG Germany	2,115	4,278	4,727
	AG abroad	28	190	60
Business trips with indirect impact	AG Germany	1,252	1,545	1,633
	AG abroad	47	46	79
>>				

GRI 305-1
GRI 305-2
GRI 305-3

Carbon footprint at Commerzbank AG ¹ (including representative offices) t of CO ₂ equivalents		2021	2022	2023 ³
>>				
Logistic journeys	AG Germany	3,535	3,307	2,880
Commuting travel¹⁰	AG Germany	15,893	14,601	13,258
Water¹¹	AG Germany	115	105	134
	AG abroad	42	42	125
Waste disposal¹²	AG Germany	130	93	211
	AG abroad	111	110	82
Total Scope 3	AG Germany	34,366	38,890	37,630
	AG abroad	1,997	5,042	8,676
	AG in total	36,363	43,932	46,306
Total Overall	AG Germany	63,358	67,220	62,230
	AG abroad	7,829	11,182	14,361
	AG in total	71,187	78,402	76,591

¹ Commerzbank AG Germany's consumption data have been externally verified by DNV Business Assurance Zertifizierungs GmbH. The verification process is based on ISO 14064-3.

² The standard of the German Association for Environmental Management and Sustainability in Financial Institutions (VfU) is aligned with the international standards of environmental and climate reporting such as the GRI Standards and GHG Protocol.

³ The collected data covers the reporting period from 1 October 2022 to 30 September 2023.

⁴ Due to legal requirements from the so-called EnSimiMaV Regulation for securing the energy supply by means of medium-term effective measures as well as the progressive "Strategy 2024", heating energy consumption could be reduced.

⁵ Following the lifting of business travel restrictions, business trips with bank and pool vehicles have increased. The statistically determined share of business travel with bank vehicles of Commerzbank AG Inland rose to around 56 % (previous year: 43 %). The proportion of business trips with bank vehicles in Commerzbank AG outside of Germany is around 71 %.

⁶ A maximum deviation of < 1 % may occur due to different recording periods of the electricity billing values.

⁷ The number of electric vehicles used as bank wagons has increased from 378 to 453 in the AG Inland. The number of kilometers driven by electric vehicles quadrupled compared to the same period last year.

⁸ The digitization of bank statements has significantly reduced paper consumption.

⁹ Following the lifting of business travel restrictions, taxi, car and private car journeys also continued to increase. For air travel, the Radiative Forcing Index (RFI factor) of 5 is applied to consider the special climate relevance in accordance with the recommendation of the Federal Environment Agency.

¹⁰ The commuter traffic figures were only calculated in Germany, as the necessary statistical base data is not available for other countries. The calculation was based on the latest data from the Federal Statistical Office (Microcensus 2020, as of 31 January 2022) and the average number of full-time employees in the data collection period (1 October 2022 – 30 September 2023). In addition, the actual commuting distances of employees and the proportion of public transport users (with monthly/annual pass) were evaluated. The rate of public transport increased from approximately 22 % to around 36 % due to the mobility grant from Commerzbank AG for the "Deutschlandticket".

¹¹ The increased water consumption in Germany is due to an adjustment of the extrapolation. An increased water demand was reported from the New York location due to the refurbishment of the cooling towers.

¹² The increased waste volumes of AG Inland result from an additional archive disposal and an increased landfill disposal of construction waste from the "Strategy 2024"

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Summary Carbon footprint at Commerzbank AG ¹ (including representative offices) by scopes t of CO ₂ equivalents	2021	2022	2023
	AG in total	AG in total	AG in total
Scope 1: Direct GHG emissions	16,581	21,613	17,418
Scope 2: Energy Indirect GHG emissions (market based)	18,243	12,857	12,867
Scope 2: Energy Indirect GHG emissions (location based)	75,241	61,916	59,367
Scope 3: Other indirect GHG emissions	36,363	43,932	46,306

Business travel at Commerzbank AG km	2021	2022	2023
	AG in total	AG in total	AG in total
Cars	21,025,926	39,038,781	47,305,428
Bank vehicles (AT leasing)	16,045,932	33,107,675	40,691,084
Pool vehicles	1,031,027	1,095,623	1,410,323
Kilometres accounted for as private, hire car and taxi journeys ¹	3,948,967	4,835,483	5,204,021
Travel by airplane	2,906,824	13,691,040	23,699,919
Travel by train	4,473,989	8,176,579	15,177,304

¹ Data on business travel with indirect impacts for Commerzbank abroad are not separately available for private cars on one hand or hired cars and taxi rides on the other hand.

GRI 305-4

SDG 3, 12, 13

UNGC 7, 8

GHG emissions intensity

The increase in CO₂ emissions per full-time employee (VZK) to 2.98 tonnes in 2023 (2022: 2.6 tonnes) is mainly due to the reduction of full-time employees while CO₂ emissions remained almost constant.

GHG emissions intensity CO ₂ emissions per capita ¹ (Scopes 1, 2 and 3), Including commuting services ² of employees ³	2021	2022	2023
Tons of CO ₂ emissions per capita	2.42	2.6	2.98

¹ Full-time personnel.

² Domestic shuttle service.

³ Including representative offices.

GRI 305

Emissions

GRI 305-5

SDG 3, 12, 13

UNGC 7, 8, 9

Reduction of GHG emissions

We are working on further measures that can help us save CO₂ emissions. For example, the current 87.3 % share of electricity sourced from renewable sources worldwide is aimed to be increased. By 2025, the global share of electricity sourced from renewable sources is expected to be 100 %.

First and foremost, the iUEMS serves to continuously improve our own environmental and energy performance. At the same time, it helps minimise risk: by regularly observing and checking the current situation, any need for action can be identified at an early stage and preventive measures can be taken. This integrated management system forms an ideal basis for ensuring the business has a sustainable orientation.

We can achieve savings in our operational emissions through efficient and sustainable building management in particular, and we are taking various measures to achieve this. These include gradually replacing conventional light sources with LEDs since 2017, making a significant contribution to energy saving. We continuously review the energy efficiency of our buildings using defined energy performance indicators. In addition, special attention is paid to making travel activities as environmentally friendly as possible and thus preventing CO₂ emissions (see [GRI 305: 3-3](#)).

GRI 308

Supplier Environmental Assessment

GRI 3-3

SDG 12

UNGC 4, 5, 7

Management of material topics

The corporate responsibility of Commerzbank does not stop at internal processes and activities but extends across the supply chain. Environmental, social and governance (ESG) criteria therefore play an important role when deciding on external suppliers and service providers and are used as an assessment criterion along the supplier management process. In addition, Commerzbank has set itself the goal of having a climate-neutral supplier portfolio by 2040. At Commerzbank, procurement is handled by Corporate Procurement. This central office falls within the remit of the Group's Organisation & Security unit, which reports directly to the Board of Managing Directors. The purchasing and supplier selection processes are audited internally and externally as part of the certified environmental management system.

We ensure standardised sustainability standards through various policies and processes. This commitment extends to our suppliers and service providers:

- [Commerzbank's Code of Conduct](#) includes the binding provision that the Bank expects its business partners to respect human and personal rights as well.

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GRI 3-3

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- Suppliers' compliance with social standards is an integral part of Commerzbank's standard for sustainable procurement. 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.
- Since 1 January 2023, we have been committed to complying with all regulations of the Act on Corporate Due Diligence in Supply Chains (LkSG). We are aware of our corporate responsibility to respect human and environmental rights. We are therefore committed to respecting these in our supply chain and providing access to remedy for those affected by violations of human rights and environmental law. Further information can be found under GRI 2-25 and in Commerzbank AG's policy statement on human rights and environmental due diligence.
- Commerzbank's suppliers and service providers undertake to behave with integrity in their business dealings and to demand and promote compliance with environmental standards by signing the mandatory contract clause „human and environmental responsibility“.
- Compliance with social standards is the focus of annual meetings with Commerzbank's main suppliers.
- ESG criteria must be evaluated a part of the tender process.
- Reputational Risk Management also performs ad hoc analyses during the process of selecting suppliers.
- The environmental guidelines are made available to our 100 largest suppliers and beyond.

GRI 308-1

SDG 12

UNGC 7

New suppliers that were screened using environmental criteria

All key suppliers who register on our supplier portal and are interested in long-term business relationships are assessed in terms of their sustainability performance. Querying aspects relevant to the environment, such as existing ISO certifications to ISO 14001 or ISO 50001 and climate protection targets, forms an integral part of supplier management at Commerzbank.

GRI 308-2

SDG 12

UNGC 7

Negative environmental impacts in the supply chain and actions taken

All suppliers and service providers that do business with us are required to comply with the specific environmental requirements from the standard for sustainable procurement and, in turn, to oblige their own suppliers and service providers to comply with the relevant requirements. The annual supplier meetings also discuss compliance with environmental standards. If the standard for sustainable procurement is violated, suppliers are notified specifically of the need for improvement. No contracts with suppliers were cancelled in the reporting year due to non-compliance with environmental standards.

GRI 3-3

SDG 5, 8, 10

UNGC 6

Management of material topics

Commerzbank aims to offer its staff a working environment characterised by a spirit of partnership. Our human resources policy provides a framework which promotes the development of each individual employee as well as collegial cooperation within the Group – even in a challenging economic setting.

Commerzbank made good progress in the year under review with the transformation of the Bank as part of “Strategy 2024” and the resulting job reduction. The necessary headcount reduction has been achieved almost in its entirety. This is being done in a socially acceptable manner. The majority of employees have left or will have left the Bank with retirement arrangements by the end of 2024.

We once again increased our focus on the challenges of demographic change and the resulting skills shortage in the reporting year. Taking into account the changes in the labour market, with movement towards an applicant market, we have a medium-term goal of rethinking recruitment and focusing on candidates as customers. This requires a new way of thinking at the Bank and amongst its management, as well as a great willingness for innovation. The strategic recruiting initiative for 2023 and 2024 was launched in order to plan and implement the necessary investments and innovations for recruiting personnel.

As a key component and investment in the future, our company is focussing on securing the next generation of employees and has launched many targeted innovations as part of the Strategic Initiative 2023: by promising to take on trainees and dual students who are personally and professionally suitable, we promise to offer them permanent employment. We quickly and boldly optimised the selection process for initial training and trainees for the transition. We invested in suitable avenues for targeting specific groups, such as search machine marketing. These measures made it possible to recruit around 500 junior staff for initial training (apprentices and students on dual study programmes) and 200 trainees across the Bank in 2023 in line with demand in a very short space of time. With the introduction of the employee referral programme “Employees recruit employees”, the expansion of additional channels for direct contact (active sourcing and headhunting) and the increase in recruiter capacities, we were also able to provide innovative solutions for other target groups, such as professionals and managers.

In order to ensure high-level participation of all internal Bank stakeholders, such as committees, managers and business divisions, we have implemented extensive formats throughout the year with the Employer Attractiveness Working Group, the Young Talent Summit and cross-segment working groups, and have integrated them into the development of the strategic initiative.

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GRI 3-3

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Commerzbank offers optional and mandatory training modules, such as seminars, workshops and e-learning courses, to continually develop the skills of our employees and prepare them for the changes arising from digitalisation. We have also added a third pillar to the mandatory and standard qualification programmes: self-determined, interest-based digital learning. With “Lernzeit+”, Commerzbank grants all employees an optional quota of working hours for this purpose. The learning experience platform cliX enables access to this and other digital offerings. We will be expanding it into THE gateway for learning at Commerzbank.

In addition to the voluntary basic training on sustainability, we have also established an advanced training programme for all employees of Commerzbank AG Germany. The advanced training programme is tailored specifically to employees in contact with customers. This helps us to strengthen our public-facing skills and consolidate understanding of sustainability among our employees.

We are now focusing on redesigning and modernising our management qualification, our Commerzbank Leadership Training. It is specifically aimed at both new and experienced managers and also addresses current topics, such as age management, resilience, hybrid and sustainable leadership.

In 2023, HR work at Commerzbank was the responsibility of Sabine Mlnarsky on the Board of Managing Directors and implemented operationally in the Group Human Resources division. The guiding principles for HR work include the Group strategy and the HR strategy.

The extensive changes at the Bank over the past three years have taken a toll on everyone involved. This is also reflected in the results of the internal “Pulse Check” surveys that were conducted to accompany the transformation. The results of the final evaluation in summer 2023 therefore show many positive aspects, but also point to issues that were viewed critically and assessed accordingly. For example, the majority of employees are highly motivated, enjoy their work and find that they have a trusting partnership with their managers. In contrast, the survey also identified key areas where action is needed, particularly in the areas of workload, transparency of strategy and trust in the Bank’s top management. Employees are also not always willing to recommend Commerzbank as a financial services provider and employer. As part of individual processes to follow up on the results, the relevant members of the Board of Managing Directors and their management boards are now pursuing measures to improve the areas rated as inadequate in their respective segments. But that is not all: With the “Strategy 2027”, the workforce-related satisfaction scores will be used from 2024 onwards as a control variable alongside established financial indicators and customer satisfaction.

GRI 401-1

SDG 5, 8, 10

New employee hires and employee turnover

The rate of employee turnover in the year under review was 3.5 % and, thus, about one third of the previous year's figure.

About one third of these withdrawals happened on the basis of an amicable solution. These solutions were implemented with the help of social plan instruments to achieve the reduction in staff from "Strategy 2024". The average length of service of employees with Commerzbank AG Germany is around 21 years. 24 % have worked for the Bank for up to nine years, 17 % for between ten and 19 years, and 59 % for 20 years or more.

New hires at Commerzbank AG (Germany) by age, gender and region (in full time equivalents) ¹	2021		2022		2023	
	total	in %	total	in %	total	in %
Total number of new employees hired	133	0.55	201	0.9	897	4.44
By age						
Employees younger than 30 years old	39	0.16	45	0.2	267	1.32
Employees between 30 and 50 years old	80	0.33	131	0.59	514	2.55
Employees more than 50 years old	14	0.06	25	0.11	115	0.57
By gender						
Female employees	65	0.27	59	0.27	441	2.18
Male employees	68	0.28	142	0.64	456	2.26
By region						
Frankfurt	62	0.26	118	0.53	282	1.40
Rest of Germany	71	0.29	83	0.37	615	3.04

¹ Due to rounding, there may be slight deviations in totals and in the calculation of percentages.

New hires at Commerzbank AG (abroad) by age and gender (in full time equivalents) ¹	2023	
	total	in %
Total number of new employees hired	714	18.99
By age		
Employees younger than 30 years old	212	5.65
Employees between 30 and 50 years old	459	12.11
Employees more than 50 years old	43	1.13
By gender		
Female employees	208	5.52
Male employees	507	13.47

¹ Due to rounding, there may be slight deviations in totals and in the calculation of percentages.

GRI 401-1

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Employee turnover at Commerzbank AG (Germany) by age, gender, region and reason for leaving (in full time equivalents) ¹	2021		2022		2023	
	total	in %	total	in %	total	in %
Total number of employees leaving	1,186	4.90	2,398	10.75	731	3.47
By age						
Employees younger than 30 years old	198	0.82	311	1.4	90	0.43
Employees between 30 and 50 years old	472	1.95	1,477	6.62	344	1.64
Employees more than 50 years old	516	2.13	609	2.73	296	1.41
By gender						
Female employees	504	2.08	1,219	5.46	268	1.27
Male employees	682	2.82	1,179	5.29	463	2.20
By region						
Frankfurt	426	1.76	704	3.16	278	1.38
Rest of Germany	760	3.14	1,694	7.59	452	2.24
By reason for leaving (selection)						
Contract terminated by employee	458	1.7	520	2.33	326	1.55
Contract terminated by employer	18	0.07	5	0.02	15	0.07
Amicable agreement	623	2.4	1,778	7.97	275	1.31

¹ Due to rounding, there may be slight deviations in totals and in the calculation of percentages.

Employee turnover at Commerzbank AG (abroad) by age and gender (in full time equivalents) ¹	2023	
	total	in %
Total number of employees leaving	487	13.98
By age		
Employees younger than 30 years old	67	1.94
Employees between 30 and 50 years old	283	8.12
Employees more than 50 years old	136	3.92
By gender		
Female employees	161	4.62
Male employees	326	9.36

¹ Due to rounding, there may be slight deviations in totals and in the calculation of percentages.

GRI 3-3

SDG 3, 8

UNGC 1, 6

Management of material topics

Health is the basis for a properly functioning organisation and workforce alike. That makes strategic health management another key element in Commerzbank's HR activities. Advancing digitalisation and the associated opportunities for mobile working are constantly changing the requirements in the world of work. We want to empower employees and managers to deal with this change under their own responsibility and in a way that promotes health. To this end, we offer them a wide range of preventive measures such as professional advisory and information services. The employee offering includes traditional in-person appointments as well as alternatives such as webinars, audio formats and video consultations with company doctors and with Employee Assistance Programme advisors.

In occupational healthcare management, we place a particular focus on prevention. Information, education and exchange formats play an important role in this regard. In addition to subsidising blue light eye protection glasses for computer work, we offer our employees various focus products on different health topics. As part of the "Week of Mental Health" in October 2023, we have raised awareness about the topic of mental health in six virtual events. Some 2,200 participants took advantage of the offer and informed themselves, among other things, about digital stress and strengthening their own resilience.

With the regular health dialogue introduced in 2023 as an exchange platform for those involved in occupational healthcare management at Commerzbank, we are providing impetus and also developing offerings for responsible management. Commerzbank also supports senior staff in health prevention with an employer-financed check-up.

The specialists for occupational safety from the GS-OS SSC Safety Management department analyse working conditions on a continuous and holistic basis using the legally required risk assessment tools. To this end, for example, significant changes to work content are considered as a preventive measure when new software is introduced. We also consult employees and managers on a regular basis on various aspects such as work organisation or leadership and team topics. Based on this analysis, targeted measures are developed and their effectiveness tested (see [GRI 403-2](#)).

In addition, GS-OS SSC Safety Management regularly inspects the Bank's business premises every three to five years in order to assess the workplaces in a targeted manner with regard to any need for adaptation, but also to provide preventive advice to managers and employees with regard to ergonomics and health at the workplace.

We want to empower employees and managers to take responsibility for building up the resources with which they can adapt to changed requirements in the working world. This purpose is served preventive measures such as professional counselling or training – for example in dealing with stress and resilience. To this end, Commerzbank also cooperates with external partners. The PIMA Health Group is responsible for the occupational health care of our employees nationwide. It also advises the Bank's corporate health management in order to improve and expand the range of products and services in a needs-oriented and targeted manner. The programme also includes events related to exercise and nutrition.

Several work agreements on the topics of "Fairness at the Workplace", "Preventing Addiction", "Company Integration Management" and "Computer Workstations" also regulate health-oriented working at Commerzbank.

GRI 403-1

SDG 3, 8

UNGC 1, 6

Occupational health and safety management system

Commerzbank pursues a systematic approach to the issue of health and safety since 2005. On the recommendation of the German Social Accident Insurance (DGUV), Commerzbank implemented an occupational health and safety management system (AMS) that is continually reviewed and adapted. It describes the guiding principles and objectives as well as the organisational principles that Commerzbank has set itself as a maxim for action in matters of occupational safety.

Since the basic occupational health and safety measures involve statutory requirements, they apply to all employees and workplaces in Germany. Voluntary additional benefits such as the Employee Assistance Programme (EAP) are available for colleagues in Germany and partially also abroad, depending on their location, via telephone, e-mail and video conferencing. While face-to-face seminars are attended mainly by employees at larger locations due to organisational reasons, digital seminar offerings allow all employees to participate without any additional effort or travel.

GRI 403-2

SDG 3, 8

Hazard identification, risk assessment, and incident investigation

Since 2013, we have been continuously expanding our occupational health, safety and prevention efforts through a so-called circular model for the assessment of risks. The findings form the basis for developing and implementing relevant measures together with those responsible for occupational health and safety, employees and managers. These measures range from structural and organisational changes to preventative measures such as professional advisory services to qualification measures, such as dealing with increased workloads. An advisory team of specialists further supports the responsible managers in the overall process of risk assessment with regard to mental stress by means of occasion-related as well as regular risk assessments.

Evidence-based risk assessments are based on reports of suspected health hazards in the workplace. All employees of Commerzbank AG Germany, managers, occupational safety specialists, HR management advisors, representatives of severely disabled employees and members of the Works Council have the opportunity to initiate such an assessment. A notification form and a guide with further information are available for reporting a suspected hazard. The process is triggered when the person submitting the completed form forwards it to the responsible manager. The manager then informs the responsible member of the Works Council and, if applicable, the representative body for severely disabled employees, and consults them regarding the further procedure. Employees can also contact a member of the Works Council directly, who will then initiate the reporting of the suspected hazard while maintaining the anonymity of the employee. GS-OS SSC Safety Management has digitised the accident report, which leads to better documentation of accident investigations and allows for easier anonymised evaluation in order to identify accident hotspots and derive preventative measures where necessary.

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GRI 403-2

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Legislation stipulates that risk assessments must be carried out by the employer prior to the introduction of new work equipment, working methods, etc. In this regard, the Bank's occupational health and safety regulations require project-related risk assessments to be carried out if there are significant changes in work processes or standards for employees in connection with projects. The benchmark for psychological hazards that are largely possible is provided by the guideline "Criteria for a good working environment", agreed upon by the Bank and employee representative committees. Typical situations that require a project-related risk assessment are the introduction of new work equipment, process changes, and significant changes in the work environment or standards. However, not every change necessitates a risk assessment. Initiating, implementing and coordinating a project-related risk assessment is the responsibility of the relevant project, product or process managers. This means that it is primarily the project managers who are responsible, but it can also be the line managers of the employees concerned. It is important that those responsible coordinate their work. The responsible persons receive professional support and advice from the occupational safety specialists and the risk-assessment specialists.

Regular risk assessments are carried out with surveys and site inspections. Regular surveys take place on an ongoing basis as comprehensive, centrally coordinated, division-based surveys. Thus, all employees and executives can participate. The surveys cover all domestic operations of Commerzbank AG in a rotating system. The questionnaire to be used was developed according to occupational principles and adapted to the conditions of the Bank and has been embedded in a works agreement. The survey is conducted by an external survey institute. Participation is voluntary and anonymous. Executives, HR advisors for executives and committee representatives receive digital reports on the results for each of their areas of responsibility. The follow-up process includes analysing and assessing the suspected hazards, developing measures, if necessary, and a subsequent evaluation of their effectiveness.

GRI 403-3

SDG 3, 8

Occupational health services

Commerzbank offers its employees the opportunity to consult company doctors and their teams on health-related issues.

They are subject to medical confidentiality and provide support – if necessary also on a long-term basis – in the following areas:

- Physical, mental and social illnesses, which may have work-related reasons or affect the employee's work performance;
- Health-oriented design of the workplace;
- Occupational health examinations, for example eyesight and vision tests for screen work – telephone or online consultation also possible;
- Company integration management (BEM): After frequent absences due to illness or a longer bout of illness, the step back into the daily work routine can sometimes be difficult. Our company integration management (BEM) supports employees in these situations. It comes into force as a legally required procedure if employees have been absent from work due to illness for a total of six weeks or more within a period of twelve months. It is irrelevant whether the employee was absent due to a single long-term illness or several different illnesses. Participation in the BEM is voluntary. Measures to support the employee within the framework of the BEM include, for example, the procurement of an ergonomic chair or a height-adjustable desk, reduction of working hours or change of working hours;
- Integration at work of colleagues with disabilities;
- Advice on healthy nutrition;
- Preventive health protection during business trips abroad;
- Addictions - preventive and acute;
- The Bank offers senior employees of Commerzbank AG Germany the opportunity to take advantage of a health check-up every two years. The Bank allows employees to do this during paid work time;
- Occupational health care for employees is supplemented by first-aid stations at the major sites (currently at the Frankfurt a.M. site). These are available in particular for first aid for injuries and illnesses. In addition, there are trained first aiders at all locations.

Family problems, stress, conflicts, psychological strain and the like also occupy and exert a strain on many people in today's living and working environments. Commerzbank therefore offers the Employee Assistance Program (EAP) as a voluntary fringe benefit to all employees, managers and their relatives living in the same household. In principle, the service is available to employees of AG in Germany 24 hours a day and 7 days a week (24/7), even on public holidays and can be used by employees from abroad for specific target groups and is also available in several languages and in sign language if required. The external consulting team, consisting of experienced experts from fields such as medicine, psychology and social pedagogics, offers competent support in difficult professional and personal situations. The consultants are, of course, subject to the legal obligation of confidentiality, and neither superiors nor personnel managers will be informed about an employee's utilisation of the EAP.

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GRI 403-3

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If necessary and at the employee's own request, the consultants will refer them to specialists such as specialist clinics, family services, specialist advice centres, doctors, psychotherapists, or coaches. Managers, too, can use the EAP to approach the counselling service with regard to questions arising from their role. For example, for health-oriented employee management or for the preparation of difficult employee appraisals. In addition to EAP counselling, employees can take part in webinars, live talks and lunch & learns held during working hours.

In addition, Commerzbank has introduced a "tier model for psychological support after bank robberies" in order to provide the best possible support to those involved in such a stressful situation. This includes defined contact persons in Human Resources as well as a comprehensive psychological follow-up offer, also within the framework of the EAP.

GRI 403-4

SDG 3, 8

Worker participation, consultation, and communication on occupational health and safety

Various committees within the Bank discuss and take decisions on occupational health and safety issues. The Central Health and Safety Committee (ASA) represents all employees of Commerzbank AG and participating subsidiaries in Germany. Its responsibilities are specified by the German Health & Safety at Work Act (Arbeitssicherheitsgesetz) and include, among other things, the provision of advice on preventive measures for accident and health hazards. The composition of the Committee is also prescribed by law. Minutes of the meetings, which take place four times a year, are published on Commerzbank's intranet and can be viewed by all employees.

The Committee for Diversity, Health and Social Affairs, which is part of the General Works Council, also deals with all aspects relating to the reconciliation of family and career, social services and health. It convenes every two months. In addition, the representative for severely disabled employees attends the meetings of the Works Council and its committees, as well as all meetings of the Health and Safety Committee, ensures adherence to the rules of inclusion and puts forward appropriate proposals regarding the introduction of new products.

Employees can access all information on health and safety at work on the Commerzbank intranet. Here, the Bank's manifold offers are presented and information sheets on various topics, such as ergonomic working or eye training, are made available.

GRI 403-5

SDG 3, 8

Worker training on occupational health and safety

In order to ensure occupational safety, all internal and external employees are required to complete an online safety training seminar once a year. This is supplemented by location-specific instructions on the part of the managers. Young people under the age of 18 are required to complete an online safety training seminar every six months. Internal company-appointed officers such as safety officers, first-aiders, floor officers and fire protection assistants are trained in accordance with the legal requirements and regular further training is ensured. In addition, branch employees receive bi-annual training on accident prevention regulations and the special requirements of banking operations (cash processing).

In addition, the Bank's qualifications offers provide information and advice on the topics of occupational safety and health. In the light of the transformation towards a digital technology company in particular, Commerzbank wishes to support its employees and help them meet the challenges posed by digitalisation.

Furthermore, the offers include, among other things, videos on general health topics such as sports, sleep and nutrition, as well as on challenges faced by employees in their daily work, for instance stress, time management and digital media.

GRI 403-6

SDG 3, 8

Promotion of worker health

Commerzbank supports various health promotion programmes. More than 40 sports are available to employees in the 140 company sports groups throughout Germany. In addition to health promotion, the feeling of togetherness within the company is fostered at the same time. Around 6,000 employees take part in the regular, nationwide sports programmes. These include, for example, dancing, football, swimming, darts, bowling, fitness or volleyball. Supra-regional competitions are held regularly throughout the year. In addition, cross-company sports championships ("ComGames") are held every three years, most recently in 2022 with over 500 sports enthusiasts. The next ComGames will take place in Duisburg in 2025.

Dealing with stress reactions and excessive demands has long ceased to be a taboo subject at Commerzbank. The Bank and the Central Works Council address the issue openly and proactively. With a comprehensive and preventive approach, the Bank aims to provide information on support formats to those affected as early as possible. The network "HORIZONT", which was founded in 2011, aims to help raise awareness among Commerzbank employees for the burnout syndrome (psychological and physical exhaustion) and to break down prejudices and inhibitions. It offers a platform for the exchange of thoughts and ideas, as well as qualified contacts for affected employees. Upon request, these contacts establish contact with various contact points and internal and external experts.

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GRI 403-6

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Commerzbank also actively addresses the issue of addiction. For instance, we support employees in giving up smoking. In a personal conversation, experts from the Fürstenberg Institute advise those affected and help them to find the right “way to giving up smoking” from the wealth of courses and aids available. In addition, every affected person can use the Addiction Helper Network to make initial contact with one of the addiction caregivers quickly, easily and confidentially. These caregivers - all of them employees of Commerzbank - know what they are talking about, because they themselves are addicts, but have been living drug-free for several years and would like to use this experience to help others to take the first step away from addiction.

As an employer, Commerzbank wants to offer its employees attractive and nutritionally balanced catering wherever possible. As such, there are canteens at the Headquarters and other major locations which offer a wide range of vegan, vegetarian and meat-based products on a daily basis. All information on nutritional data and additives can be viewed by employees at the entrance to the canteen as well as in the Commerzbank intranet.

GRI 403-8**Workers covered by an occupational health and safety management system**

The Occupational Health and Safety Management System (Arbeitsschutz-Management-System, AMS), which is regularly reviewed internally, covers 100 % of the employees of Commerzbank AG Germany.

GRI 403-9**Work-related injuries**

In 2023, there were a total of 120 reportable work-related and commuting accidents. Reportable refers to work and commuting accidents causing an incapacity to work for more than three working days. The rate of work-related accidents is 4.3 per 1,000 people for the Commerzbank Group. We recorded two serious accidents (recuperation period of more than six months or fatality), both of which were related to a road accident (commuting accident).

The accident rate is well below the rates of the relevant statutory accident insurance and significant less than in 2022 (-44 %). This sharp decline compared to 2022 is due in particular to the elimination of suspected coronavirus infections. No fatal accidents occurred during the reporting year.

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GRI 403

Occupational Health and Safety

GRI 403-9

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Number of workplace accidents at Commerbank Group by region and gender	2021			2022			2023		
	Frankfurt	Rest of Germany	total	Frankfurt	Rest of Germany	total	Frankfurt	Rest of Germany	total
Workplace and commuting accidents ¹ of female employees	9	76	85	17	136	153	15	60	75
Workplace and commuting accidents ¹ of male employees	13	29	42	17	70	87	17	28	45
Workplace and commuting accidents¹ in total	22	105	127	34	206	240	32	88	120
of which purely workplace accidents	5	34	39	17	136	153	9	27	36

¹ More than three days of absence.

GRI 404

Training and Education

GRI 3-3

SDG 4, 8

UNGC 6

Management of material topics

At Commerzbank, we perceive employee training as an important building block for employer attractiveness as well as for the further development of its workforce. Due to the many challenges posed by the Bank's transformation and digitalisation, qualification measures have been pooled in the HR Learning cluster to focus continual learning on the entire employee career cycle. In concrete terms, this means that there are qualification measures on offer that range from initial training to leadership training as well as extensive programmes for professionals and specialists. This bundle of offers was successfully implemented.

The Demographic change requires further strengthening of initial training as well as a strong focus on young academics. We are responding to the digital change in the labour market with re/upskilling programmes and comprehensive IT training offers.

Commerzbank offers various personnel management tools that can either be used by employees at any time on a voluntary basis, such as performance appraisals to determine their current position or the documentation of skills in the internal employee profile, or as recurring processes that support the individual development of each employee, such as the development dialogue. It is mandatory for all employees of Commerzbank AG in Germany and abroad to take part. Participation is documented accordingly. The goal of the human resources management tools is to support the continuous development and expansion of competencies and skills among employees to enable them for current and future tasks.

GRI 404-1

SDG 4, 8, 10

Average hours of training per year per employee

In 2023, we invested a total of 451,943 hours, including self-study media and face-to-face events, in the training and further education of employees of Commerzbank AG in Germany. A total of 29,673 employees took part in training courses offered on the central learning platform. Employees who left the Bank during the year and external employees were also counted. The average number of hours per employee and year during the reporting year was 15.23 hours. We do not report hours broken down by employee category. This data is not available, as it is not substantially relevant to further training at Commerzbank, and hence also not to management. Further training is offered at Commerzbank on a needs-oriented basis.

An external learning portal is also available to trainees for the initial training programme for bank clerks, on which over 70,000 videos and tasks have been accessed and completed.

Average number of hours spent on training and development per employee and by gender	2021	2022	2023
No. of hours per year female employees	13.98	15.84	15.64
No. of hours per year male employees	14.43	15.43	14.85
No. of hours per year total	14.32	15.62	15.23

In addition, the total hours of basic sustainability training (German and English) amounted to 4,932 hours in 2023 (women: 2,631 hours, men: 2,301 hours).

Around 4,432 further total hours were spent on self-directed, voluntary, digital learning via the “Lernzeit+” learning platform in 2023. This is equivalent to around 568 person days.

The first of around 750 participants also embarked on their certified re/upskilling learning journey. In upskilling, the learning time per participant is 120 teaching units. This results in a total of 90,000 hours of qualification time by the end of the learning journey. The reskilling learning journey spans a total duration of 12 months. In 2023, 20 participants successfully completed it and thus qualified as business experts.

Of the employees working at Commerzbank AG in Germany in December 2023, 877 were undergoing initial training. In addition, Commerzbank employed 250 active members of our ComStudent programme (Commerzbank’s student trainee programme), 255 trainees and a total of 344 interns in Germany and abroad as well as further employees that were involved in development programmes.

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GRI 404-1

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In 2023, Commerzbank hired 482 junior staff for initial training (328 apprentices and 154 students from dual universities). In addition, we welcomed 489 student interns, 154 ComStudent members, 5 students at the Frankfurt School of Finance & Management (FSFM) and 207 trainees. In 2023, we took on 72.5 % of the apprentices and students on dual study programmes who completed their training.

Apprenticeships at Commerzbank AG (Germany)	2021	2022	2023
Female apprentices	358	276	323
Male apprentices	548	479	563
Total number of apprentices	906	755	886
Ratio of apprenticeships to other employees (%)	3.7	3.5	4.2
Percentage of apprentices offered permanent positions (%)	70.8	62.0	72.5

GRI 404-2

SDG 4, 8, 10

UNGC 6

Programs for upgrading employee skills and transition assistance programs

We pool all offerings in a learning platform and facilitate lifelong occupational learning. Commerzbank offers numerous optional and mandatory qualification modules, such as seminars, workshops and e-learning courses. The different requirements demand learning and information formats tailored to the specific needs of the target groups. Employees are encouraged to shape their further personal and professional development more actively and, together with their managers, take the reins on their own development. International units have their own range of services outside of the learning platform.

Commerzbank is currently developing an overarching, holistic learning platform called cliX, which will become THE gateway for learning at Commerzbank. This platform is already available to employees for self-directed, interest-based, voluntary, digital learning and is promoted by the Bank within the scope of "Lernzeit+".

We also offer our employees a certified reskilling and upskilling programme in collaboration with external partners. These learning journeys focus on interdisciplinary future skills and thus support qualification for a digital working world undergoing radical change.

Human resources development and individual development concepts were also realigned with online-supported formats, among other things, with regard to the digital strategy.

In addition, we are responding to the increasingly digital world of work in the Group with an adapted work organisation: mobile technical applications, agile work and flexibility in terms of work location and working hours are just some of the examples.

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GRI 404-2

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Mobile working makes it possible to work from time to time without being tied to a specific location. This aims at a flexible arrangement of working time and place, taking into account operational requirements and private interests of the employees, the motivation of the employees through autonomous working, the increase of employer attractiveness and a better reconciliation of private and professional life. By eliminating the need to travel between home and the workplace, mobile working also pays off in terms of environmental protection. Mobile working is also increasingly offered to employees at foreign locations; the respective country-specific regulations can be found in local policies.

In 2023, Commerzbank and its employee representatives developed a new regulation on hybrid working – a mixture of working from home and working at the Bank’s premises. In terms of hybrid working arrangements at Commerzbank, the teams are essentially free to organise themselves as they wish: teams and managers are responsible for defining their own rules on how they organise their hybrid working together, taking guidelines into account. The new regulation on hybrid working came into force on 1 April 2024.

Employees have three equivalent career paths with clearly structured qualification and development opportunities at their disposal: the professional career track, the management career track and the project career track, including the pertinent qualification modules.

GRI 404-3

SDG 4, 8, 10

Percentage of employees receiving regular performance and career development reviews

The Development Dialogue provides a regular, online-supported personnel development process for all employees and managers in the AG Germany as well as at all international locations, through which the necessary skills and knowledge for current and future requirements are developed in a structured and continuous manner for all employees. The goal is for the manager to regularly discuss the necessary competencies and skills for current and future requirements with each of their employees and to agree on qualification measures if necessary. In addition, the Development Dialogue identifies talents as well as personnel risks and discusses appropriate measures regarding staff deployment and development in the management team.

GRI 3-3

SDG 5, 8, 10

UNGC 1, 6

Management of material topics

A diverse working environment plays a key role in ensuring the Bank's long-term success and increasing its innovative strength and productivity. Diversity and inclusion are therefore part of our Group and sustainability strategy. Our broad commitment to diversity has made us an innovative driving force in this area throughout Germany for more than 30 years.

Diversity and inclusion are anchored throughout the Group using a governance structure with representatives from all areas of the Bank. The central committee for strategic alignment is the Global Diversity Council (GDC), which is chaired by the Managing Director for Human Resources. With all business units taking part and support provided by regional councils at various locations abroad, this approach makes it possible to take countryspecific differences and needs into account. The GDC enjoys overarching steering powers that control the standardised implementation of the Group-wide Diversity & Inclusion strategy. It also acts as a sounding board for the "Implementation of the German Act to Strengthen Accessibility [Barrierefreiheitsstärkungsgesetz]" project. The GDC is responsible for reviewing the objectives and monitoring the success of the content and measures of global diversity management at regular intervals, at least every three years.

The inclusion of people with disabilities is an essential part of our diversity strategy. We want to take inclusion seriously and make it a visible expression of sustainability. Commerzbank is guided by the legal requirements of the German Social Code Book IX (SGB IX) and has been fulfilling the statutory quota for the employment of people with disabilities for nine years.

As early as 2018, Commerzbank was the first bank in Germany to publish an "Action Plan for Inclusion 1.0" (German: „Aktionsplan zur Inklusion 1.0 gemeinsam verschieden“) based on the UN Convention on the Rights of Persons with Disabilities. Under this action plan, we have implemented major goals and measures by the end of 2023 to improve the situation for people with disabilities at Commerzbank. This includes employees as well as customers and suppliers of the Bank.

With our Action Plan 2.0 "Sustainably inclusive" presented in 2023, Commerzbank is broadening its focus and linking inclusion even more closely with its commitment to diversity and sustainability. Under the banner of "Sustainably inclusive", the Bank is dismantling further barriers in order to change the framework conditions for people with disabilities in the economy, improve access to the labour market and make products accessible for our customers.

With regard to the German Act to Strengthen Accessibility, which came into force in 2021, the Bank is pursuing the goal of ensuring barrier-free access to its mobile apps, online banking and self-service devices, such as ATMs and banking terminals by 2025. Furthermore, two out of three branches were already accessible without barriers in 2023. Commerzbank is benefiting in many areas from the inclusion activities it has already launched.

For more than two decades, we have been steadily expanding our activities around combining family and work life, and we provide our employees with targeted offerings for all stages of life, including with modules that can be used in combination when providing long-term care for relatives. This includes supporting parents in the home office through virtual childcare or exceptional care at Kids & Co facilities. Commerzbank also holds the permanent certificate "Audit Profession and Family" (German: "Audit Beruf & Familie").

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GRI 3-3

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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. Here, one position is divided between two part-time employees. The percentage of part-time employees has been at a constant level for years. At the end of 2022, 30 % of employees were working in part-time.

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 2023, some 116 employees took a sabbatical. Employees also have various opportunities to make the location of their workplace more flexible (see [GRI 404-2](#)). For many parents who work at the Bank, we provide a far more attractive level of service municipal childcare centres due to offering longer hours, even during school holidays. With virtual childcare for colleagues who work from home and virtual workshops and exchange formats, we were able to continue to relieve the burden on many parents and offer the children a varied range of options. Virtual childcare was used a total of 2,341 times in 2023. A nationwide holiday-childcare service as well as childcare in exceptional cases was available to employees free of charge on 20 days per child in 2023. The childcare service offered in exceptional cases and during holidays was used 1,684 times at 18 different locations in 2023.

Furthermore, in addition to childcare, we also offer extensive support for employees who care for relatives. This is based on our care-related works agreement, which was concluded for the entire Bank in 2015. With an aging workforce, care for relatives is also gaining in importance. As a result, care is becoming more of a central issue in our employees' lives. We therefore support our employees with appropriate eldercare counselling and placement services via a Homecare Helpline (24/7). Eldercare counselling from the pme Family Service was used a total of 162 times in 2023.

The seven employee networks supported by Commerzbank's diversity management make a further important contribution to a lively and diverse corporate culture and thus support our diversity management goals. A total of around 1,500 employees are involved in ARCO (Pride Network), the women's network Courage, “Fokus Väter”, CrossCulture (interculturalism), IDEAL (employees with disabilities), the Christian network ICHTHYS and the “Care” network. Employee networks promote diversity and equality at Commerzbank by organising their own events and projects. Some members of the Board of Managing Directors and Divisional Board members are directly involved as sponsors of the networks. In addition, the employee networks offer the opportunity to network and develop across all levels.

“Fokus Väter”, the network for reconciling fatherhood and work, celebrates its 20th anniversary in 2024. The network reaches around 180 fathers, is actively committed to equal opportunities for parents in everyday banking and stands for a well-levelled and sustainable balance between family and job satisfaction. Of all employees taking parental leave at Commerzbank, the proportion of fathers was 21.7 % in 2023 (2022: 22.1 %). The average duration of parental leave (within the calendar year 2023) was 8.4 months for women and 2.4 months for men.

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GRI 3-3

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For over 20 years, Commerzbank has been committed to approach the topic of sexual orientation and gender identity among customers, employees and business partners with openness. Through targeted educational work, we are gradually breaking down prejudices and strengthening acceptance at all levels.

In 2023, we focused on “trans*, inter*, and non-binary – what do these terms mean?” and how important openness is when meeting with employees, customers and business partners

This involved, among other things, reviewing our processes and forms to ensure they address customers in a neutral manner, as well as including a neutral form of address, for example when opening an account. In 2023, Commerzbank was the first bank to offer a gender-neutral option for the form of address when opening an account. Since 2023, people transitioning at Commerzbank and comdirect have also been able to have their current account card and credit card in their new name upon request when transitioning.

Various forms of awareness and discussions, for example as part of digital events and communications about queer people, specifically increase knowledge so that topics are better understood and inhibitions and reservations are reduced. In particular, formats related to coming out, unconscious bias or topics such as discrimination and racism, as well as support for parents with parenting issues, or skills training for care topics, are very popular with employees. The Board of Managing Directors and first management level also often get involved in these formats

GRI 405-1

SDG 5, 8, 10

UNGC 6

Diversity of governance bodies and employees

Diverse teams often perform better and are essential to the success of the company, also with regard to internationalisation and demographic change.

We benefit from Commerzbank’s increasing internationality and cultural diversity at all management and employee levels. In 2023, in addition to our German colleagues, 1,263 employees from a total of 127 nations held positions at Commerzbank AG (rounded up to around 130 nations in the primary response). Together, we are the global Bank at the side of our customers and support German SMEs around the world.

We have been helping employees with disabilities to be able to work despite their disabilities for a long time. In 2020, we created an assistance coordination centre that advises on the individual needs of people with disabilities and provides solutions. Digital support options are constantly being explored and introduced wherever possible.

At the beginning of 2019, an employee network by and for people with disabilities was founded, known as IDEAL. Among other things, the members actively promote accessibility at the Bank and support the implementation of legal requirements with their expertise.

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GRI 405-1

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The importance of inclusion was also highlighted in the revision of the works agreement on “Partnership-based behaviour in the workplace” and in the amendment of the Bank’s Recruiting Guideline. The Bank’s purchasing guidelines, too, were amended in 2021 to include a passage on diversity and inclusion.

We are present on a job platform for people with disabilities (myAbility) with the aim of further promoting diversity and inclusion. In 2023, we continued to work on implementing the measures and launched the follow-up action plan Inclusion 2.0 (see [GRI 405, 3-3](#)).

As a result, Commerzbank AG has consistently exceeded the statutory requirement of 5 % employees with disabilities in recent years and, at 5.94 %, also met the quota in 2023. In 2023, the Bank employed an average of 1,546 employees with severe disabilities.

Women make up more than 50 % of the Commerzbank workforce. Two women, Dr Bettina Orlopp and Sabine Mlnarsky, belong to the Commerzbank Group’s seven-member Board of Managing Directors. Nine of the twenty members of the Supervisory Board are women. A good 33 % of our management positions at Commerzbank AG in Germany are now held by women – and the number is rising. Currently, this figure is 36 % in the Commerzbank Group.

Still to this day, the predominant reality in society is that women face a double burden in balancing their family life and career. We offer a wide range of measures to help women in particular to cope with this burden. Fathers may also take advantage of these measures. With this, we want to make an overall contribution to advancing women’s careers. This includes company childcare, part-time models – including for managers – and structured return options after parental leave in order to avoid career setbacks.

Programmes such as „Keep in Touch“ (10 % to 30 % part-time for up to twelve months after the birth of a child) or a “return guarantee after parental leave“ are offered. “Keep in touch”, in particular, has become a successful part-time programme. The offer was used by a total of 139 employees in 2023. In addition to these part-time options, we offer managers at all levels a shared management model. With the scope of this model, two managers share a management task so that professional and private requirements can be balanced more flexibly. We are convinced that joint leadership can help to facilitate entry into a management position, reduce barriers and promote opportunities for advancement. In addition, the “Management Experience” programme offers employees the opportunity to try out being managers or project managers in temporarily vacant positions.

With these measures, Commerzbank was able to increase its share of women in management positions to more than 36 % Group-wide in recent years. At the end of 2023, 36.1 % of management positions across the Group were held by women (2022: 35 %). The Board of Managing Directors has set a new goal of 40 % across all management levels by the end of 2030 (management levels 1 to 4 and project managers at level 5). All divisions of Commerzbank AG are explicitly tasked with actively approaching suitable female employees during the recruitment process.

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GRI 405-1

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In the Boston Consulting Group's Gender Diversity Index 2023 on gender equality in companies, Commerzbank ranks second among the top 100 listed companies. In addition to the proportion of female managers on management boards and supervisory boards, the ratio of the average remuneration of both genders is also taken into account. With 80.1 out of 100 points in 2023 (with an index average of 55.5) and the steady improvement on previous years, Commerzbank demonstrates that it is taking its responsibility for equal opportunities seriously and is successfully implementing measures.

Further information on the proportion of women in the Supervisory Board and the Executive Board as well as the following first and second management levels can be found in the [Annual Report 2023](#) on pages 33 und 34.

Proportion of female employees at Commerzbank AG (Germany) by management level ¹ (%)	2021	2022	2023
Proportion of women in overall workforce	51.7	50.8	50.7
Proportion of women at management levels 1-4 in total	31.1	31.8	33.0
Management Level 4 – team head	40.6	43.9	45.2
Management Level 3 – head of department	27.6	28.4	29.2
Management Level 2 – divisional head	22.5	22.8	22.9
Management Level 1 – divisional board member	15.8	15.4	19.5

¹ Excluding trainees.

Proportion of female employees at Commerzbank AG (abroad) by management level (%)	2023
Proportion of women in overall workforce	33.3
Proportion of women at management levels 1-4 in total	30.5
Management Level 4 – team head	46.7
Management Level 3 – head of department	26.4
Management Level 2 – divisional head	8.0
Management Level 1 – divisional board member	0.0

Commerzbank AG (Germany) workforce by age and gender	2021		2022		2023	
	female	male	female	male	female	male
Employees younger than 30 years old	1,330	1,749	1,092	1,448	1,224	1,725
Employees between 30 and 50 years old	6,346	5,223	5,429	4,354	4,856	4,209
Employees more than 50 years old	6,592	6,805	6,331	6,647	5,770	6,027

Commerzbank AG (abroad) workforce by age and gender	2023	
	female	male
Employees younger than 30 years old	194	426
Employees between 30 and 50 years old	812	1,543
Employees more than 50 years old	265	575

GRI 405

Diversity and Equal Opportunity

GRI 405-2

SDG 5, 8

UNGC 1, 6

Ratio of basic salary and remuneration of women to men

Avoiding pay discrimination is a key concern for us, so all the Bank's remuneration components and other benefits are designed to be gender-neutral and transparent.

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. With regard to the gender ratio in the various pay scale groups, the following picture emerges for Germany

Salary structure at Commerzbank AG (Germany); gender breakdown within the pay-scale categories covered by collective bargaining agreements in number of employees	2021		2022		2023	
	female	male	female	male	female	male
Outside scale	5,840	9,906	5,497	9,123	5,395	8,609
Apprentices	358	548	276	479	323	563
Hourly, monthly and other wages	46	75	40	62	49	89
Scale 1-3	24	4	6	1	4	5
Scale 4-6	2,031	593	1,216	387	884	360
Scale 7-9	5,969	2,651	5,217	2,231	5,195	2,335

GRI 406

Non-discrimination

GRI 3-3

SDG 5, 8, 10

UNGC 1, 6

Management of material topics

A working environment that is free from prejudice, typified by mutual respect and acceptance is essential for an atmosphere where everyone is able to thrive. This is especially important in a group such as ours that employs people from round about 130 nations. We do not tolerate discrimination at Commerzbank. Any form of unfavourable treatment of people based on their gender, nationality, ethnic origin, religion or beliefs, disability, age, sexual orientation or gender identity constitutes a violation of human dignity and infringement of personal rights.

To further raise employee awareness, Commerzbank also offers optional and mandatory sensitisation modules and awareness formats on the topic of anti-discrimination. These include, for example, workshops on unconscious bias, which describes unconscious thought patterns, or presentations with non-profit organisations and external experts.

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GRI 3-3

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To this end, Commerzbank has joined the initiative of the Employer's Association of the Private Banking Industry (Arbeitgeberverband des privaten Bankgewerbes e. V. – AGV) to strengthen democracy. The initiative consists of a programme that provides employees with fundamental knowledge on how to strengthen democracy, points out concrete options for action and strengthens the working environment as a place of democratic culture and makes this culture resilient. The programme focuses on the mechanisms and consequences of hate speech and disinformation and how these digital processes affect our democracy.

In addition, various diversity learning paths are available to employees and managers at any time via our cliX learning platform, including courses such as “Diversity, inclusion & a culture of belonging”, “Unconscious bias - recognising and changing unconscious thought patterns” and “Fair leadership – promoting inclusive leadership in the company”. Commerzbank regularly raises awareness of these programmes amongst its employees.

We are committed to an open and non-discriminatory approach to the topic of sexual orientation and gender identity of employees, customers and business contacts (see also [GRI 405, 3-3](#)).

For us, inclusion and fair cooperation start with the right use of language. The test phase of our recommendation on inclusive language at Commerzbank lasted almost a year and a half. Following the test phase in October 2023, it is now clear that Commerzbank is renewing and expanding its recommendation on the use of gender-sensitive and inclusive language. Inclusive language means we want to speak in a gender-sensitive, non-judgemental way and communicate without barriers. We believe it should include all people and allow them to participate.

With our numerous memberships in many organisations for equality and diversity & inclusion, we show that we as a company also perceive a social obligation. We are one of the first members of the Diversity Charter association. We are also a founding member and on the advisory board of the PROUT AT WORK Foundation. We are listed in the “Genderdax”, are a member of the Corporate Forum for the Inclusion of People with Disabilities and are a signatory to the UN Women Empowerment Principles. We are also regularly certified by “Audit Beruf & Familie” and “Total E-Quality”.

We live our memberships in the Diversity Charter and the PROUT AT WORK Foundation with great vigour: Every year, we actively participate in nationwide campaigns such as Diversity Day and Pride Season. In addition, we are happy to be a contact for new Charter members with our „Best D&I Practices“. This has many positive effects. Commerzbank is perceived as an employer with a positive attitude towards the promotion of diversity and inclusion and a convincing commitment to equality. Our customers are also paying more and more attention to the values a company represents. Particular highlights included Commerzbank in Prague signing the Czech Diversity Charter in 2021 and the signing of the Bulgarian Diversity Charter in December 2023.

GRI 406

Non-discrimination

GRI 406-1

SDG 5, 8, 10, 16

UNGC 1, 6

Incidents of discrimination and corrective actions taken

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 2023.

GRI 407

Freedom of Association and Collective Bargaining

GRI 3-3

SDG 8

UNGC 2, 3

Management of material topics

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. Therefore, Commerzbank 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.

GRI 407-1

SDG 8

UNGC 2, 3

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Employee/employer cooperation at Commerzbank is based on mutual respect and trust. Works agreements reached by the employee and employer representatives take account of the Bank's aims as well as the employees' social needs. This will continue to apply in the future. The Bank is not aware of any instances in which Commerzbank's business activities or units did not respect freedom of association or the right to collective bargaining at collective bargaining or works constitution level.

We also expect our suppliers to respect freedom of association and have included this in the [sustainable procurement standard](#).

GRI 414

Supplier Social Assessment

GRI 3-3

SDG 12

UNGC 1, 2, 4, 5

Management of material topics

Please see [GRI 308: 3-3](#).

GRI 414-1

SDG 8, 12

UNGC 1, 2

New suppliers that were screened using social criteria

All key suppliers who register on our supplier portal and are interested in long-term business relationships are assessed in terms of their sustainability performance. Assessing social aspects, such as existing certifications to SA 8000 or ISO 45001, is an integral part of supplier management at Commerzbank.

GRI 414-2

SDG 8, 12

UNGC 1, 2

Negative social impacts in the supply chain and actions taken

All suppliers and service providers who do business with Commerzbank undertake to comply with the specific social requirements set out in the sustainable procurement standard and, in turn, oblige their own suppliers and service providers to comply with the relevant requirements. The adherence to social standards is a subject matter that is discussed at the annual negotiations with suppliers. In the event of violations of the sustainable procurement standard, suppliers are specifically notified of the need for improvement. In the reporting year, no contracts with suppliers were terminated due to the failure to observe human rights or social standards.

GRI 415

Public Policy

GRI 3-3

SDG 16

UNGC 1, 8, 10

Management of material topics

Commerzbank also engages in regular dialogue with national and international regulatory and supervisory authorities. The Bank's aim here is to get to know the needs and interests of its stakeholders and present its own perspective. The outcome of these discussions can be incorporated into the corporate strategy as a decision-making and planning aid. For example, the Bank regularly discusses the potential impact of our business activities on human beings and the environment with non-governmental organisations. Such discussions form part of creating policies and guidelines, such as the two key guidelines on defence and surveillance technology and on fossil fuels. The impacts of business activities discussed in this context relate to social and environmental factors, which are explained further in the section on reputational risk management in Sustainable Finance: 3-3. In November 2023, Commerzbank hosted one of the nine events held during the seventh Sustainable Finance Summit of the Green and Sustainable Finance Cluster Germany. The programme welcomed the banks of the Net-Zero Banking Alliance Germany and discussed the topic of climate-neutral banks as well as the key role they play in transforming the economy.

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GRI 3-3

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As the interface between the Bank and political bodies, Commerzbank's Public Affairs department formulates positions on relevant political and regulatory issues. On-site support is provided through the Bank's two liaison offices in Berlin and Brussels and a liaison officer based at the Institute of International Finance (IIF) in Washington. Through its activities, the Bank plays an integral role in the democratic opinion-forming process and aims to encourage appropriate, sound decisions that are geared towards the common good.

The emphasis here is on discussing banking and financial market issues. Another focus is on the general framework conditions for the German economy, such as energy policy, sustainability, digitalisation and international trade and foreign policy. By doing so we are helping politicians and administrators develop and expand their knowledge of the sector as the basis for appropriate decision-making. We are listed in the EU's Transparency Register and the lobby registry of the German Bundestag and, therein, report on our activities, acting persons and annual expenditure on political lobbying.

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.

GRI 415-1

SDG 16

UNGC 10

Political contributions

In accordance with its Group-wide donation policy, Commerzbank does not make donations to political parties, affiliated institutions or politicians. Accordingly, Commerzbank's party donations amount to 0 euros.

GRI 3-3

SDG 16

UNGC 10

Management of material topics

For us, being at our customers' side means providing comprehensive and comprehensible advice on financial products. It is essential that the customer's personal goals and demands are incorporated and the customer's entire assets are considered comprehensively. Based on the customer's information, we identify recommendations for action that are tailored to the customer's needs. This also includes offering information on potential risks and alternatives in line with the customers' long-term needs as well as transparent and comprehensible documentation of the advisory process. We pursue this claim, for example, with our financial analysis tools "Finanzkompass", "Strategie- und Zukunftsdialog". The associated advisory process, in which the specific needs of private and small business customers lead to individual solutions and financial plans, ensures that customers are provided with what they want and what they need.

In addition, we have introduced new products and services with special benefits for our customers in recent years. These include accounts with a security guarantee, the native integration of the instalment loan in the banking app and a provider-independent mortgage. With the basic account, we offer all customers access to the Bank and, via the Commerzbank Banking app, a convenient solution for carrying out banking transactions at any time and from anywhere. The digital assistants, such as the financial analysis or the financial compass, noticeably simplify the banking experience. Transfers are possible in less than 10 seconds thanks to bill scanning and real-time transfers.

To measure their average personal carbon footprint, Commerzbank customers can calculate their approximate carbon footprint via the app. The banking app is available in German and English. In comparison to other branch banks, customers award the banking app top marks: an average of 4.7 out of 5 possible stars.

With the amendment of the German Financial Markets (MiFID II) Directive as part of the EU Action Plan on Financing Sustainable Growth, it became mandatory to ask about sustainability preferences when providing investment advisory and financial portfolio management services. Our investment advisory teams received intensive training on this topic. As part of the fact-finding stage, we educate customers about the three sustainability standards defined in the guideline and ask about their sustainability preferences. Where they have a sustainability preference, customers subsequently decide on the share of their investments to be put into sustainable assets. The advisory universe in the Private and Small-Business Customers segment comprises some 500 financial instruments that meet at least one of the sustainability standards defined by MiFID II. Regardless of this, sustainability is generally an integral part of various consulting tools, for example in dialogue with our small business customers and in wealth management.

We also regularly report on the material adverse effects of Commerzbank Wealth Management's investment decisions on sustainability factors.

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GRI 3-3

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We support our customers on their journey towards a sustainable future. In addition to various information materials on ESG products, customer advisors can also use an ESG sustainability questionnaire developed by us in the ESG advisory meetings. Consequently, the current ESG status, development opportunities for transformation and tailored product solutions (from Commerzbank and the Green Ecosystem) can be offered for support in dialogue with customers.

Data-related measures that help prevent payment fraud and the resultant losses are of great benefit for customers, allowing fraud attempts to be detected at an early stage and losses minimised. Two fraud patterns, so-called CEO fraud and ransomware attacks, continue to be relevant: For CEO fraud, in which corporate customers are fraudulently induced to make payments, Commerzbank provides, among other things, a training offer for customers in Germany and at selected European locations.

In the case of ransomware attacks, the IT systems of corporate customers are encrypted and only released after a ransom is paid. Commerzbank also supports its customers in this area with a comprehensive range of advisory and training services.

GRI 417-1

SDG 12

Requirements for product and service information and labeling

When recommending a specific financial instrument to a customer, which means providing investment advice, we draw up a suitability declaration in which we document the suitability test conducted. We provide our customers with all relevant product information, including the declaration of suitability and the Product Information Sheet (PIB) and Basic Information Sheet (BIB) on the potential risks and rewards of the recommended financial instruments.

When using our communication and information channels, we ensure that we inform our customers truthfully and comprehensibly about our products and services and refrain from misleading messages or advertising.

GRI 417-2

SDG 12

Incidents of non-compliance concerning product and service information and labeling

No significant incidents of non-compliance concerning product and service information and labeling were identified at Commerzbank AG for the 2023 reporting year.

GRI 417

Marketing and Labeling

GRI 417-3

SDG 12

Incidents of non-compliance concerning marketing communications

No significant incidents of non-compliance concerning marketing communications were identified at Commerzbank AG for the 2023 reporting year.

At Commerzbank subsidiary Commerz Real, there is legal certainty following the court ruling on klimaVest: in its ruling of 6 February 2023, the Regional Court of Stuttgart expressly deemed the use of the term “measurable” not to constitute misleading advertising. Accordingly, klimaVest may continue to advertise a measurable positive contribution of its fund investments to achieving ecological goals. Further information can be found on page 15 of [klimaVest's German half-yearly report 2022/2023](#).

GRI 418

Customer Privacy

GRI 3-3

SDG 12, 16

UNGC 1, 2

Management of material topics

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.

The protection of customer data and compliance with banking secrecy requirements are of the utmost importance in this era of increasing digitalisation. They are fundamental to the satisfaction of our customers and to trust within a long-term business relationship. That is why data security is a key issue for us in terms of responsible banking.

With the increasing digital networking of state, business and society, cyber security and cyber resilience are becoming more and more important. Commerzbank scrutinises not only its own information, premises and IT systems, but also those of its customers and service providers, including any independent transport routes. Cyber security is a driver of customer confidence and thus an important competitive factor. With that in mind, it is crucial to ensuring the security of our systems.

As part of the critical infrastructure, the financial industry is subject to extended legal requirements. The status quo of our technological basis is regularly evaluated, analysed and assessed, for instance through safety tests of IT systems (such as penetration tests and vulnerability scans) as well as permanent monitoring of the systems to prevent operational disruptions. Furthermore, several audits per year focussing on cyber and information security are carried out by the internal audit department or external supervisory authorities.

Cyber and information security risks are managed by the Group division GRM-CRIS (Group Risk Management – Cyber Risk & Information Security), which reports to the Group CISO (Chief Information Security Officer). In addition to established security functions such as the ISO 27001 certified ISMS (Information Security Management System), the focus is on managing cyber risk appropriately and on strengthening Commerzbank's cyber resilience. To cover the human element, we also rely on our employees being highly security and risk-conscious. We promote this via a special, multiaward-winning information security awareness campaign. GRM-CRIS also addresses the interplay between cyber and information security risks and other types of risk relating to areas such as HR, procurement, business continuity management (BCM) and physical security.

GRI 3-3

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Commerzbank Aktiengesellschaft takes the protection of personal data very seriously and complies with the applicable data protection rules, in particular the provisions of the EU General Data Protection Regulation and the Group Data Protection Policy. The purpose of this policy is to ensure a consistently high level of data protection in the Group and to respect the fundamental rights and freedoms of data subjects. It includes principles applicable Group-wide for the collection, processing, use and international transmission of personal data.

Making sparing, proportionate, necessary use of personal data only within the legally permissible limits is a right under the Charter of Fundamental Rights of the European Union, to which Commerzbank is expressly committed. This also includes processing only for a specific purpose and ensuring transparency towards and the provision of information to the data subject. Commerzbank also transfers personal data to third parties only if this is lawful and it is not apparent that there is a risk to the fundamental rights and freedoms of the data subject; this includes transfers of personal data to authorities. Personal data is deleted as soon as it is no longer required for business purposes and there is no other legitimate reason preventing deletion. We can demonstrate that we comply with the principles governing the processing of personal data.

Commerzbank investigates inquiries, complaints, requests for information and breaches of personal data protection without delay and keeps in close communication with the data subject, especially when there may be risks to their fundamental rights and freedoms. In addition, data subjects can contact Commerzbank's data protection officer at any time.

To raise our employees' awareness of data privacy and data security issues and keep them informed, regular training sessions are offered, and mandatory educational programmes must be completed. These training courses inform employees about the key principles of data protection as well as specific areas of action within Commerzbank.

Efficient and holistic data processing offers great opportunities for all segments and Group divisions: as a basis for decision-making in the management of operational processes, for more detailed and faster analysis, and for improved service and cross-selling. At Commerzbank AG, responsibility for this area lies with the Big Data and Advanced Analytics (BDAA) Group unit.

As a centre of competence for machine learning (ML) and artificial intelligence (AI), BDAA is also responsible for the Group's AI strategy, in particular the further development of AI governance within the framework of the three lines of defence, as well as the establishment and provision of basic AI functionality and selected use cases. AI governance furthermore involves the employer side and the Group Works Council developing a common understanding of the use of AI and ML at Commerzbank in order to integrate employees and their know-how into new processes and changed ways of working. This allows the advantages of these technologies to be exploited while at the same time avoiding errors and misuse. BDAA provides methods for efficiently designing Group-wide models to calculate credit and operational risk as well as capital requirements, and to perform stress testing. This helps to ensure regulatory compliance and improve capital efficiency. To comply with the high data protection standards, Commerzbank works with pseudonymisation, anonymisation and micro-segmentation.

GRI 418-1

SDG 12, 16

UNGC 1, 2

Substantiated complaints concerning breaches of customer privacy and losses of customer data

Given that the Bank has almost 11 million private and small business customers in Germany and around 5.8 million private and small-business customers in Poland, the Czech Republic and Slovakia, plus around 25,500 corporate client groups worldwide, the number of data protection complaints was again comparatively low in 2023. For example, the data protection officer of Commerzbank AG in Germany received 221 customer complaints by the end of the year under review; as well as 63 customer complaints about data protection regarding the comdirect brand. In most cases, the complaint was that data had been put to unauthorized use or had become known to third parties.

However, many complaints were found to be unsubstantiated. Some complaints were submitted directly to the data protection regulatory authorities.

In 2023, the Data Protection Officer was notified of a case of data theft caused by a cyberattack affecting a service provider contracted for the account switching service. Measures were immediately taken to remedy the risk and strengthen security.

GRI 3-3

SDG 9, 12, 13

UNGC 2, 7, 8, 9

Management of material topics

The transformation into a sustainable economy affects us all. It is our aspiration to actively shape this change: We empower our customers to achieve their sustainable transformation while setting a good example.

For us, sustainable finance encompasses all financial products and services that promote positive environmental and/or social purposes. In doing so, we are guided by the Sustainable Development Goals (SDGs) and the EU Taxonomy.

One objective agreed under the 2015 Paris Agreement was to bring global financial flows into line with climate targets. This offers numerous opportunities for us as a bank. The energy revolution and reduction in CO₂ emissions are creating a need for new technologies and products that reduce greenhouse gas emissions and support climate change adaptation. One example is the promotion of renewable energies that often requires large investments. It is both the expectation of the EU and the German government of the financial industry and Commerzbank's own aspiration to finance the enormous demand for investment and innovation resulting from the transformation of the economy and society. As a universal bank, Commerzbank is fulfilling this task across its individual business areas.

Moreover, there is growing interest in sustainable investment opportunities. That is why we are developing products and services that take account of these changes while offering an environmental or social benefit.

Additionally, the climate goals can be supported by forgoing certain transactions such as financing new coal mines or coal-fired power stations. Exclusion criteria were defined for particularly critical businesses and business relationships. This includes, for example, financing for oil and gas production projects (conventional and unconventional production methods), as well as the decision not to finance new construction or expansion of coal mines, coal infrastructure or coal-fired power plants.

Furthermore, as a member of the Science Based Targets Initiative we are committed to reducing CO₂ in our financed emissions according to science-based targets. By 2050 at the latest, we aim to reduce our CO₂ emissions from Commerzbank's entire lending and investment portfolio to net zero.

Accompanying customers on their transformation journey and providing the financing it requires – which is considerable in particularly affected sectors and portfolios – also means exposing ourselves as a bank to climate risks and actively managing them. In the following, we describe our specific approach to fulfilling our commitment to actively shaping the transformation into a sustainable economy.

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GRI 3-3

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Portfolio management

We are pursuing the strategic goal of reducing the CO₂ emissions of our entire loan and investment portfolio (referred to as “finance emissions”) to net zero by 2050. To achieve this target, we have identified CO₂-intensive sectors in our portfolio and set concrete sector-specific reduction targets for these based on the methodology by the Science-based Targets Initiative (SBTi). The sectors related to non-financial companies that are currently classified as especially emissions-intensive are power generation, aviation, automotive manufacturing, commercial real estate financing, and the production of cement, iron and steel. We also consider the residential mortgage loan portfolio, which is deemed optional in the SBTi analysis. This means that we take into account the most CO₂-intensive elements of the supply chain, so it can be assumed that if these sectors are transformed, other parts of the portfolio will be transformed as well. Corresponding 2030 targets for reducing emission intensities were initially formulated for the specified portfolios and validated by the SBTi. This makes Commerzbank the first German bank with validated SBTi targets. Depending on SBTi methodology availability, we also aim to set portfolio-specific long-term goals (until 2050) in the next few years.

As announced in September 2023, Commerzbank has joined the Partnership for Carbon Accounting Financials (PCAF). 2023 also saw us switch our method of calculating portfolio intensities to the internationally recognised PCAF standard. In the course of applying this standard, we additionally recalculated the starting point in the kick-off year 2021 and determined new target values for 2030 (see chart for reduction targets based on the Sectoral Decarbonization Approach). The targets remained as ambitious as before, or became slightly more ambitious, because another sector (cement) moved from a 1.8°C pathway to a 1.5°C pathway. We still await final confirmation of the adjusted targets from the SBTi. Additionally, we have developed something we call the SBTi Net Zero Dashboard, which serves as a controlling instrument for the SBTi-relevant sectors. It is our ambition to support companies in the real economy in their transition process, to sustainably reduce the financed emissions and to move toward our net zero target for the entire product and investment portfolio in 2050.

As part of the SBTi framework, we apply two methods for our net zero target: first, the Sectoral Decarbonization Approach (SDA), a method for setting sector-specific intensity targets; and second, the temperature score, which financial institutions use to calculate the current “temperature score” of their portfolio based on their borrowers’ public emission reduction targets. The table below sets out the sector-specific CO₂ reduction pathways that we have defined until 2030, divided by SDA sectors. The percentage reductions derive from the applicable emission intensity for the baseline year 2021 and the targets for 2030. The consideration of emission intensities is based on the utilization of the on-balance sheet-relevant exposure in credit and investment portfolio. Additionally, the SBTi requires a minimum portfolio coverage, which we have also presented for transparency reasons. The portfolio targets are published in our ESG framework where they, along with the status of target achievement, are updated on a regular basis. It is planned to publish the current reduction pathways for the temperature score portfolio together with the next disclosure report in accordance with CRR.

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5 Sustainable Finance

GRI 3-3

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Reduction targets under the Sectoral Decarbonisation Approach (SDA)						
Asset Class ¹	Sectors	CO ₂ reduction pathways for the period to 2030 ²			Utilisation until Year End 2023	Financed emissions until Year End 2023
Consumer loans	Residential mortgage loans	57 %	(1.5°)	2021: 45.8 kg CO ₂ /m ² 2023: 44.4 kg CO ₂ /m ² 2030: 19.8 kg CO ₂ /m ²	€ 96.6 bn	
Project financing/ corporate loans and investments	Energy	74 %	(1.5°)	2021: 97.3 g CO ₂ /kWh 2023: 64.9 g CO ₂ /kWh 2030: 25.6 g CO ₂ /kWh	€ 8.5 bn	
Corporate loans	Commercial real estate, commercial use	67 %	(1.5°)	2021: 87.4 kg CO ₂ /m ² 2023: 89.0 kg CO ₂ /m ² 2030: 28.4 kg CO ₂ /m ²	€ 8.5 bn	4.49 Mt CO ₂ e
	Commercial real estate, residential use	57 %	(1.5°)	2021: 36.6 kg CO ₂ /m ² 2023: 36.9 kg CO ₂ /m ² 2030: 15.8 kg CO ₂ /m ²		
Corporate loans and investments	Iron and steel	36 %	(1.8°)	2021: 1.4 t CO ₂ /t Stahl 2023: 1.2 t CO ₂ /t Stahl 2030: 0.9 t CO ₂ /t Stahl	€ 0.2 bn	
	Cement	23 %	(1.5°)	2021: 0.7 t CO ₂ /t Zement 2023: 0.8 t CO ₂ /t Zement 2030: 0.5 t CO ₂ /t Zement	€ 0.1 bn	
	Automotive manufacturing	31 %	(1.8°)	2021: 172 g CO ₂ /pkm 2023: 148 g CO ₂ /pkm 2030: 118 g CO ₂ /pkm	€ 0.3 bn	
	Aviation³	22 %	(1.8°)	2021: 796 g CO ₂ /tkm 2023: 785 g CO ₂ /tkm 2030: 620 g CO ₂ /tkm	€ 1.2 bn	

¹ Customers in the SDA sectors for which no emissions data is available are included in the temperature score. In doing so, we comply with the minimum coverage requirements of the SBTi.

² The specified CO₂ reduction pathways represent the actual status at the end of each year, with 2021 considered the base year and 2030 the target year.

³ The SDA target for aviation generally does not yet form part of the SBTi validation. This is because the SBTi's aviation SDA methodology is currently still designed for the real economy and has not yet been approved for financial institutions.

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GRI 3-3

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Achieving the SBTi reduction pathways presents a necessary challenge and a vital opportunity at the same time – something that Commerzbank would like to tackle together with its customers. In order to reduce sector-specific emission intensities, the customers in Commerzbank's portfolio will need to make major transformation efforts themselves. Ultimately, however, the green transformation is a joint task for the entire real economy, financial system, politics and society. The SDA-relevant loan and investment portfolio consists of customers whose main activities can be attributed to the most CO₂-intensive industrial sectors. The main drivers of sector specific emission intensities are the portfolio composition resulting from customers' cash drawing behaviour (utilisations), and the CO₂ emission intensities of the respective customers themselves. Since the variables mentioned are subject to certain fluctuations over time, the sector intensities shown also exhibit volatility in the same way.

In the area of energy generation, the Commerzbank portfolio at the end of 2023 is performing much better than the target pathway. Of particular note here is the Bank's strategic focus on project financing in the area of renewable energies. Commerzbank plans to expand this position further over the next few years. The emission intensity trend in the customer portfolio is also largely satisfactory in the automotive manufacturing, iron and steel sectors.

Developments are challenging, especially in the cement sector as well as in the private and commercial real estate finance sector. The trend in the cement sector is primarily due to changes in the total lending of individual large corporate clients with a high CO₂ intensity in 2022, when no established SBTi management was in place, which could not be compensated for in 2023. In real estate financing – in contrast to other sectors – the extent to which a transformation can be implemented in the (very long-term) existing business is limited for legal reasons. It is to be expected that existing business will also improve thanks to increasing modernisation and the use of sustainable energy sources. However, the time horizon involved is very long-term and the process cannot be actively controlled by the Bank. The lever for transforming these portfolios lies much more in new business. The nationwide collapse in the real estate finance business (due in part to the extensive construction freezes on the back of market uncertainties and price increases) therefore had a negative impact on achieving targets in this sub-portfolio. Future developments here will be heavily dependent on a possible upswing in the new construction business as well as on the political and legal framework conditions supporting the transformation.

We take the SBTi targets into account in our portfolio steering. For the steering of significant individual transactions in CO₂-intensive sectors, we have therefore established a process for evaluating relevant exposures in relation to our strategic sustainability targets, including the net zero (SBTi) sector target pathways. The tools for SBTi portfolio management will be progressively expanded. In the 2023 reporting year, we defined general guidelines in a concept for managing and ensuring the achievement of SBTi targets for the Corporate Clients, Private and Small-Business Customers and Treasury business segments, which we will operationalise further in 2024.

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GRI 3-3

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Environmental risk materiality assessment

In 2023, we carried out another comprehensive materiality analysis for environmental risks across all risk types for the Commerzbank Group as part of the annual risk inventory process, taking into account the requirements of the European Central Bank's "Guide on climate-related and environmental risks". In this process, all risk types assessed as material in the risk inventory were evaluated in terms of factors such as their materiality in relation to climate-related risks. Both transition and physical risks were considered and a materiality assessment was carried out in each case. This materiality classification into materially affected and non-materially-affected risk types is based on both a time dimension and a risk type-specific dimension.

The time dimension is divided into short, medium- and long-term time horizons. For each specified time horizon, an assessment is first carried out for climate-related and biodiversity risks, which can then be further divided into physical and transition risks. The materiality threshold on which this classification is based is consistent with the established risk thresholds from the risk inventory for all risk types. Materiality for each risk type is determined on a scenario basis and, if possible and appropriate, also on a quantitative basis. This provides the foundation for ensuring a holistic consideration of the effects resulting from the risk types materially affected by environmental risks as part of Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP). A comprehensive qualitative analysis of possible transmission channels is carried out, and in general scenario-based quantification is added. The climate scenarios used include those formulated by the Network for Greening the Financial System (NGFS). The internally established scenario analysis and stress testing infrastructure are used for this purpose.

Transition climate risks arise for companies as a result of the transition to a lower-emission and more sustainable economic system (for instance owing to regulatory or legal changes in energy policy, changes in market sentiment and preferences, technological innovations or greenwashing risks). Physical climate risks, by contrast, arise as a result of changing climatic conditions and the associated more extreme and more frequent acute weather events, such as floods or heatwaves, or chronic effects.

As a result of the analysis, the influence of climate-related risks for the following risk types was confirmed as material:

- credit risk
- market risk
- operational risk (including compliance and cyber risk)
- reputational risk
- business risk

No materiality was established for physical asset risk, liquidity risk and model risk. A risk type is considered to be materially influenced by climate-related risks as soon as it is materially affected by either transition climate-related risks or physical climate-related risks in one of the three specified time horizons.

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GRI 3-3

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Material risk types	Climate-related risk materiality assessment					
	Physical risks			Transition risks		
	Short term ¹	Medium term ¹	Long term ¹	Short term ¹	Medium term ¹	Long term ¹
Credit risk (including counterparty risk)	No	No	Yes	No	No	Yes
Market risk	No	No	No	No	No	Yes
Operational risk (including compliance and cyber risk)	No	No	No	Yes	Yes	Yes
Reputational risk	No	No	No	Yes	Yes	Yes
Property value risk	No	No	No	No	No	No
Business risk	No	No	No	Yes	Yes	Yes
Liquidity risk	No	No	No	No	No	No
Model risk	No	No	No	No	No	No

¹ The short-term time horizon is up to one year, the medium-term time horizon two to five years, and the long-term time horizon more than five years (at least ten years were considered).

The findings of the materiality analysis feed into the creation of the business strategy, the overall risk strategy and the sub-risk strategies, the internal risk reporting as well as into other core elements of the Bank's internal process to ensure an adequate capital position, such as the internal stress test framework and the risk-bearing capacity concept. Particularly in the case of risk types materially affected by climate-related risks, risks are managed within the respective risk function. Thus, the materiality analysis for climate-related risks is an integral part of Commerzbank Group's risk governance. In addition to the annual materiality analysis, we carry out internal climate stress tests too.

As a financial institution of the German economy, we are also active in sectors that are particularly exposed to climate-related physical or transition risks. However, we have little exposure to some of the hardest-hit sectors (agriculture, for example). Sectors that could potentially be more heavily affected by climate-related risks and that have larger exposures are, for example:

- the energy sector,
- the automotive sector,
- mechanical engineering as well as
- real estate finance

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GRI 3-3

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Owing to the geographical focus of our portfolio in Germany and Europe, we are comparatively less affected by physical climate-related risks, such as hurricanes and rising sea levels, compared to other regions in the world. As a result, both transition and physical climate-related risks are considered as material to credit risk over a long-term time horizon. In order to manage the effects of climate-related risks in Commerzbank AG's lending business, we are systematically optimising our processes and methods. We must understand and actively manage the associated risks, not least in connection with our strategy, in order to support the transformation of companies to a more environmentally friendly and climate-neutral economy. We combine the findings from scenario analyses (including sector- or country-specific effects of climate-related risks) with an individual risk analysis at customer level.

The findings from the scenario and credit risk analyses are aggregated in a structured assessment ("score"). We factor this score into the individual loan decision. Depending on the score, increased requirements or restrictions are triggered on a portfolio-specific basis. We also use the score as part of our portfolio analysis and management. Portfolio-specific guidelines, which are anchored in the credit risk strategy, limit the share of loans with heightened climate-related risk. These processes and procedures are mandatory components and incorporated in full into the credit risk analysis. We take a portfolio-specific approach and thus take appropriate account of the differences in terms of those affected and the risk drivers. In the particularly relevant portfolios such as corporate clients, special financing, banks and commercial real estate finance, we have supplemented the qualitative risk analysis in the individual loan decisions with these specific aspects for the analysis of climate-related risks. We will progressively extend this approach to other portfolios and include smaller companies, for example. In our target state, we want to integrate climate-related risks – as far as possible – into the quantitative credit risk analysis and thus fully reflect them across the process, including in pricing and reporting.

Another key aspect is adding continuously to our specialists' expertise in climate-related risk, which enables us to discuss the challenges and work together with our customers to assess the risks on an equal footing. We deepen this know-how with the support of external consultants, academia and various initiatives.

Reputational risk is one of the Commerzbank Group's main non-quantifiable risk types (see "Evaluating environmental and social risks"). Reputational risks were classified within the materiality analysis as material overall, particularly due to greenwashing risks. Quantitative effects were evaluated using bank-specific and risk-type-specific scenarios, including expert estimates. Reputational risk is now considered within the context of environmental risk as part of regular central risk reporting. Additional appropriate control measures have been implemented, such as a greenwashing risk internal control framework and the screening of new sustainable products to identify greenwashing. Detailed reporting on the risk types is published online in the ESG appendix of the [disclosure report according to CRR](#).

Besides climate-related risks, Commerzbank also considers biodiversity risks. These are also regarded as horizontal risks for the Bank. As with climate-related risks, the classification of biodiversity risk for material risk types is a central component of the annual materiality analysis and is presented in detail in [GRI 304: 3-3](#).

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GRI 3-3

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Reputational risk management

In addition to climate risks, there exist other risks to the environment and society that arise from our core business. These are assessed in Commerzbank's Reputational Risk Management department. The Bank has a clear stance on controversial issues such as arms, deforestation and fossil fuels. To this end, we have formulated sector-specific requirements, for example for armament, mining, energy and fossil fuels, including oil and gas. Among other aspects, the ESG Framework provides an overview of our exclusion criteria and requirements as well as our reputational risk steering framework. Exclusion criteria have been defined for particularly critical products, transactions or business relationships. This includes, for example, new financing for oil and gas production projects (conventional and unconventional production methods), as well as the Group-wide decision not to finance new construction or expansion of coal mines, coal infrastructure or coal-fired power plants. Financing of such projects is excluded under our Fossil Fuels Policy. For years now, environmental and biodiversity aspects have been bindingly integrated into the core business by means of minimum environmental standards and corresponding exclusion criteria.

In December 2023, we also expanded our position in the areas of deforestation and agricultural commodities and defined new exclusion criteria. The expanded position on the forestry, soy, beef and palm oil sectors stipulates that companies from relevant and defined regions must have mandatory memberships and certifications in order to become or remain customers of Commerzbank. Existing customers must comply with these requirements by the end of 2025 at the latest.

Commerzbank is committed to respecting human rights and wants to help promote and uphold these within its scope influence, for example in its dealings with employees, suppliers and customers. We describe in detail how we address this matter in our Position on Human Rights. In the Reputational Risk Management department, business transactions and business relationships in sectors in which human rights play a significant role, such as mining, ship dismantling or the cotton sector, are intensively researched, analysed and assessed in detail. Commerzbank has also worked intensively on implementing the German Act on Corporate Due Diligence in Supply Chains (LkSG), which entered into force on 1 January 2023.

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.

Sustainability in the core business is assessed by the Reputational Risk Management department at Commerzbank. We do not limit ourselves to what is legally required; instead, we consider the legitimacy of all transactions. In view of the special risks associated with fossil fuels and armaments, the Board of Managing Directors has passed its own binding directives on these matters that define many of the relevant transactions and business relationships in these areas as being subject to assessment, and encompass exclusion criteria.

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GRI 3-3

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When it comes to armaments, we recognise the basic right of states to defend themselves and do not question the need for the German armed forces to exist or to be adequately equipped. We therefore continue to finance arms manufacturers who produce weapons and armament systems for the Federal Republic of Germany and its allies. Nevertheless, we have tightened and expanded the requirements and criteria for the arms industry applying to Commerzbank, which have been in place since 2008. The Board of Managing Directors approved the new Arms and Surveillance Technology Policy in January 2023. It preserves the fundamental parameters of the old policy, which means that Commerzbank will not fund arms business in conflict zones or areas of tension, or business relating to what are termed “controversial weapons”. In addition, the new policy now also governs the approach in relation to autonomous weapons and surveillance technology.

Here, we are more restrictive than is required by law, and our exclusion list also includes countries that are not affected by sanctions or embargoes. The list of countries is reviewed and adjusted quarterly and on an ad hoc basis. Commerzbank’s Reputational Risk Management department thus defines the criteria for and limits of business operations and carries out differentiated analyses of transactions, products and customer relationships. The assessment process starts in the front office: As soon as an issue defined as sensitive by the Bank is affected, Reputational Risk Management must be involved to perform in-depth research into possible environmental and social risks that may be associated with the existing or potential business partners or the content of the transaction. The department looks at information and reports from non-governmental organisations (NGOs) and analysts as well as media reports and company publications. For the examination of defined threshold values in the area of fossil fuels, lists from the NGO Urgewald are used, for example. The analysis is concluded with a differentiated vote. Evaluation is based on a five-level scale and may result in the rejection of the product, the transaction or the business relationship.

In 2023, Commerzbank’s Reputational Risk Management department assessed around 1,230 transactions, business relationships and products relating to specific environmental and social issues (2022: 2,300 votes). The decrease in votes is mainly due to stricter exclusion criteria as well as standardization and risk-based focus on business relationships.

In view of the special risks associated with fossil fuels and arms, the Board of Managing Directors of Commerzbank AG has passed its own binding directives on these matters that considers many of the relevant transactions and business relationships in these areas as being subject to assessment and defines exclusion criteria. With regards to fossil fuels, for example, every existing and potential customer relationship that does not already violate an exclusion criterion is subject to a critical case-by-case review through the Reputational Risk Management. Among other things, transformation efforts and compliance with defined threshold values are, thereby, critically examined. Financing of arms manufacturers and suppliers is also examined on a case-by-case basis in accordance with the directive.

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5 Sustainable Finance

GRI 3-3

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Assessments in reputational risk management in annual comparison

year



Breakdown of risk assessment by sector	2023
	Number of votes
Sector	
Fossil fuels (coal, oil, gas)	345
Energy (nuclear power, water power)	85
Arms industry and surveillance technology	350
Agriculture and forestry	102
Mining (excl. coal mining)	61
Textiles	99
Other sectors	188
In Total	1,230

Raising employee awareness of the business relevance of non-financial topics is accomplished, amongst other things, via a regular newsletter. One edition in May 2023, for example, was dedicated to the topic of mining and explained Commerzbank's position on this. There are also presentations for national and international market units in selected locations, such as Düsseldorf and Frankfurt am Main as well as Kuala Lumpur, London and New York in 2023. In addition, the mandatory Bank-wide training course "Advanced knowledge of sustainability - confidence in customer dialogue for sales staff and back office" provides detailed and practical information on the key tasks, objectives and submission requirements of reputational risk management.

Furthermore, participation in internal committees and a continuous exchange with the market on the evaluation processes and controversial topics serve to continually raise awareness. Reputational risk reviews are carried out not only for new business, but also for business renewals and in response to specific incidents. Reputational Risk Management department uses a qualitative approach to manage original reputational risk.

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GRI 3-3

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The Reputational Risk Management department is the responsibility of the Chairman of the Board of Managing Directors. Reputational risk management is part of Commerzbank's overall risk strategy. If Reputational Risk Management identifies a significant reputational risk during an audit, senior management is always informed. In serious cases (high reputational risk), Reputational Risk Management has the option of vetoing the decision, which can only be remedied by means of an escalation process that can lead up to the Group Board of Managing Directors. In order to raise awareness and identify risk concentrations at an early stage, all material and high reputational risk votes are presented to the full Board of Managing Directors and the Risk Committee of the Supervisory Board on a quarterly basis in the form of a report.

To continue developing its reputational risk management, Commerzbank AG monitors issues of potential environmental and social relevance on an ongoing basis and checks how they may be embedded in the Bank's internal processes and evaluation criteria. All sensitive issues, positions and directives are reviewed regularly and updated as necessary. The voting and reporting processes are also updated if required.

As part of the ICAAP process, a scenario-based materiality analysis on environmental risks (Environmental Risk Materiality Assessment) is carried out on an annual basis. This also includes the effects of environmental risks on reputational risks, which are analysed by Reputational Risk Management using new scenarios as well as scenarios that have already been developed and updated. In 2023, these effects were analysed using the following scenarios that are considered potentially material and quantified using expert-based scenario analyses:

- Carbon-intensive industries
- Greenwashing and Biodiversity
- Greenwashing and Green Bonds
- Greenwashing and CO₂ certificates
- Greenwashing and Asset Management Sustainability
- Greenwashing and Sustainable Funds
- Missing self-imposed targets

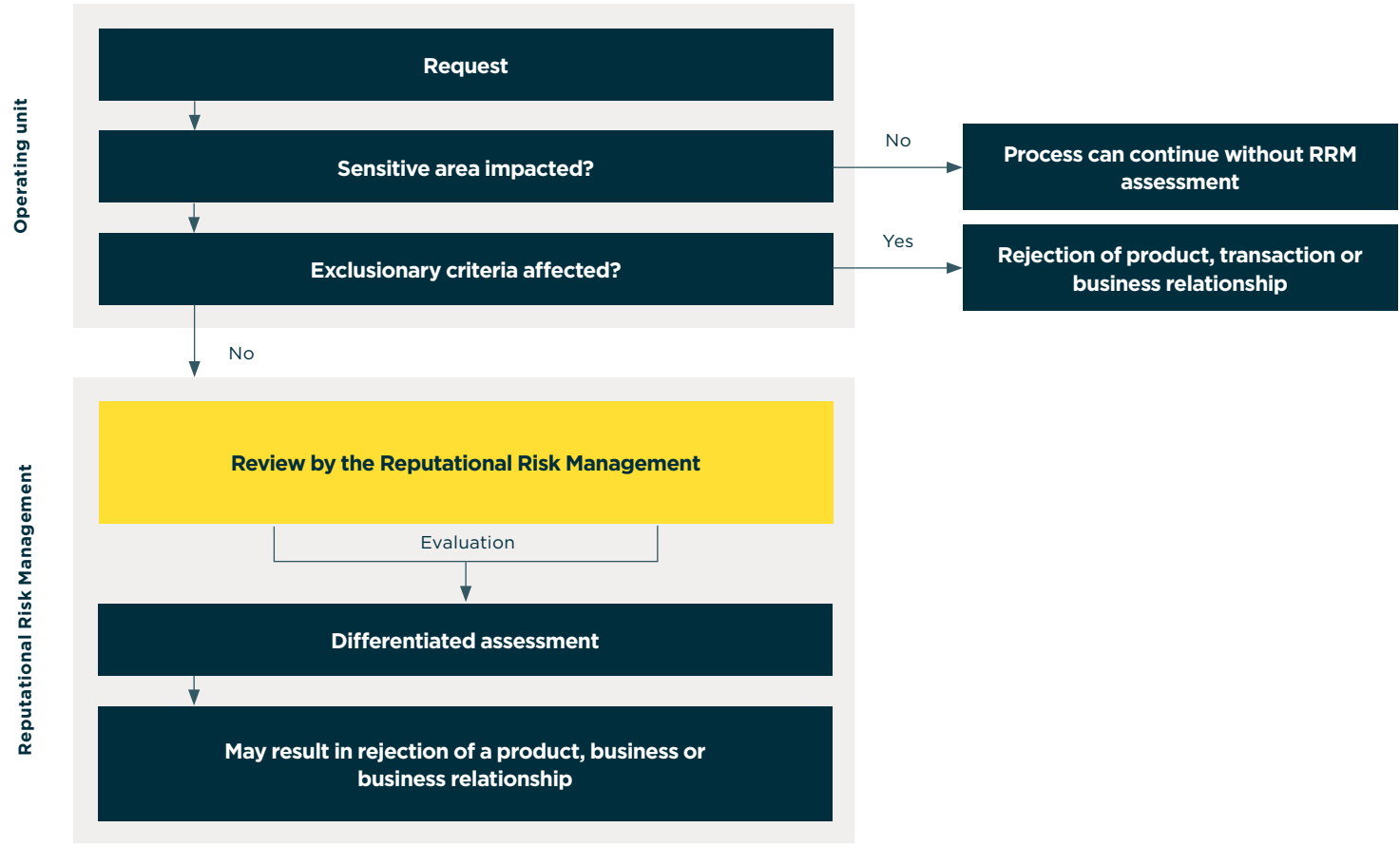
The influence of environmental risks on reputational risk was confirmed to be material; greenwashing continues to be categorised as a material risk driver. Corresponding derivations for early detection and reputational risk reporting are also further developed as part of this annual materiality analysis on environmental risks. Part of the Group Risk & Capital Monitor reporting is reporting the exposure to customers in the coal sector who, according to the current status, will not meet the expectations of the EU Fuel Quality Directive by the end of 2025 and would therefore have to publish a transformation plan. There are also reports on negative media coverage of Commerzbank with reference to greenwashing. Both metrics sharpen the risk appetite with reference to reputational risks in the context of environmental risks. Accordingly, the business risk has been factored into the ICAAP, which covers deviations between the operating result and the respective target figures and serves to bolster the ICAAP management buffer used in the limit system.

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GRI 3-3

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Environmental and social risk management process at Commerzbank



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GRI 3-3

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Project finance, customer engagement, product development, lending business

The majority of our cash-flow-oriented project financing and structured financing business is transacted in Europe. In these cases, we carry out thorough 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 with 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. We do so as the need arises to clear up grey areas bilaterally or to coordinate the conditions for banking services.

We develop sustainable products with market analyses, the Bank's own technical and product expertise and regulatory requirements in mind. These products support our customers in their sustainable transformation and at the same time provide incentives for companies and private individuals to become more sustainable. We draw on classic product development practices, agile methods and direct dialogue with customers. The products prioritised for development are determined in equal measure by the requirements of the Bank's own sustainability strategy, customer needs, economic considerations and regulatory requirements. When integrating ESG aspects into our products, services and consulting processes, in the future we will focus not only on the climate, but also on other topic areas identified in the materiality analysis, such as environmental protection and biodiversity.

In the Corporate Clients segment, we rely on risk and sales data to evaluate the ESG dimensions of our portfolio. These offer sustainable business opportunities and at the same time allow us to provide advisory services and financing products to support our customers in their own transformations. The sales and lending departments work closely together to address the specifics of ESG issues.

Responsibility in the lending business for the Private Customers segment also takes account of potential changes in a customer's economic situation. This also includes identifying customers with signs of financial problems early on – and thus before the emergence of problems threatening their existence, if possible – and suggesting measures to be taken which will, ideally, lead to an orderly repayment process.

SF1

SDG 10, 11, 12

UNGC 1

Products and Services designed to deliver a specific Social Benefit

In this report, we consider financial products and services with a social benefit. Disclosures on social participation can be found under [GRI 203](#).

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 and Small-Business Customers segment, that feature a social benefit component. They include, in particular, residential property and pension plans. Commerzbank's gross home loan business totalled around 3.06 billion euros in 2023. In the current highly volatile and rising interest rate environment, the focus is primarily on follow-up financing for existing properties and energy-efficient refurbishment of existing properties.

Personal pension plans and insurance against life risks have remained key advisory topics for customers. In the insurance business, agreements on subsidised "Riester" products and basic pension covers worth a total of around 68 million euros were concluded during the reporting year. Commerzbank's provision portfolio includes products for risk protection, such as term life insurance and occupational disability insurance, as well as additional products for the formation of a pension provision plan (private pension). The current situation in society as a whole has not left people unscathed. In order to ease the financial burden on private customers in the current situation of high inflation rates and tight energy supplies, we offer the option of instalment deferrals for instalment loans that go beyond the statutory deferrals. We notify our customers well in advance of the end of the instalment break.

SF2

SDG 7, 9, 12, 13

UNGC 9

Products and Services designed to deliver a specific environmental benefit

Combating climate change and the loss of biodiversity requires not only favourable political conditions and new technical solutions, but above all adequate financial resources. We will therefore mobilise €300bn for sustainable financial products by 2025. At the same time, the financing of green technologies and business ideas that could mitigate climate change also makes a concrete contribution towards the successful transition to a low-carbon, sustainable future economy.

In the Private and Small-Business Customers segment, the offering includes financing for energy-efficient buildings. The green mortgage loans scheme, for example, offers preferential financing conditions for the construction, modernisation or acquisition of buildings – for own or third-party use – whose energy value does not exceed 50kWh per square metre of usable floor space. This applies equally to all multi-dwellings as well as residential and commercial buildings where the share of income from commercial rent is less than one third.

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5 Sustainable Finance

SF2

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The green “KlimaDarlehen” (previously “green CBU”), an individual loan for self-employed people and small businesses, also finances sustainable commercial investments. Examples of these include heat or electricity generation from sustainable, renewable sources and investments in electric and hydrogen mobility. The intended uses of these projects meet the definition of environmentally sustainable activities under the ESG framework, meaning that the financing goes towards climate protection or climate adaptation activities.

In addition, Commerzbank corporate customers receive access and discounts to service providers that support decarbonization measures. These include Global Changer, a technology company for environmental services. Here, companies can have their carbon footprint assessed. Global Changer also offers software for monitoring emission reduction measures to help corporate customers reduce their CO₂ emissions and thus achieve their climate targets. Furthermore, Commerzbank corporate customers are granted access to the Impact Solutions Platform.

This is a B2B platform with a large number of service providers for sustainable issues, including providers from the areas of energy efficiency, mobility, resource conservation and consulting services. In addition to a wide range of sustainable and innovative services and products, business customers can calculate the environmental impact of their company using an emissions calculator and offset it through buying carbon offsets. This is how Commerzbank supports corporate customers in achieving their CO₂ targets.

Private customers can use a CO₂ calculator in the banking app and on the Commerzbank website to work out their approximate personal carbon footprint based on a questionnaire about their mobility and consumption habits and their living situation. This application is supplemented by information on sustainable lifestyles and sustainable product offerings from Commerzbank. Our private customers also receive advice on the topic of “acting sustainably” in their online banking via the “FinanzKompass” digital advisory tool. Here, we give individual recommendations on changes for the day-to-day live, such as activating the electronic mailbox to save paper.

Commerzbank has long, wideranging experience with renewable energy. Corporate and project financing along the value chain have been part of our portfolio since the 1980s and will continue to be a growth area for us in the future. The core business of the [Centre of Competence Energy \(CoC Energy\)](#) which has sites in Hamburg, New York and Singapore, is the global provision of finance to wind and solar parks as well as related technology. The plants that are financed are operated in particular by independent power producers, project developers, institutional investors and utilities.

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5 Sustainable Finance

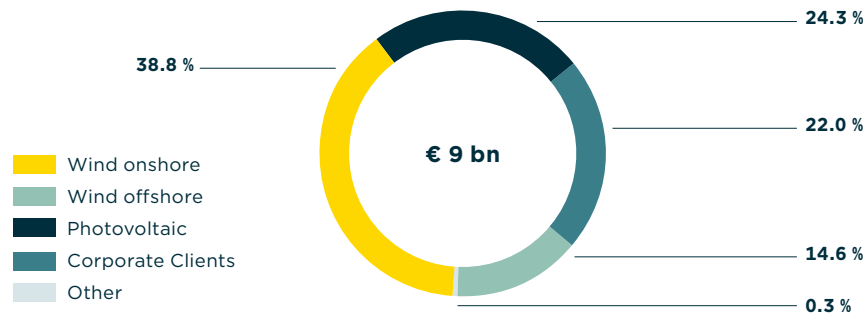
SF2

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As of today, Commerzbank AG is one of the largest financiers of renewable energy in Europe and further expanded its international portfolio share in the year under review. 2023 once again saw us realise financing for wind farms and solar parks as well as add new projects and refinancing transactions in Europe and the USA. One of the flagship projects in the year under review was the Boitzenburger Land solar park. We are the sole financing partner for this project, which has a volume of €100m. The solar park supplies around 65,000 households with green electricity every year. CoC Energy's total financing commitment in 2023 was around €9bn.

Renewable energy portfolio

In € bn | financing commitments as at 31 December 2023



Commerzbank incorporates sustainability considerations into the development of traditional financing solutions. We advise businesses about the advantages of public promotional loans such as KfW's energy efficiency programmes or its climate protection initiative for small and medium-sized enterprises. We keep an eye on new products and product evolutions from the public funding bodies and offer these to our customers.

To its Corporate Customers, Commerzbank also offers sustainable bilateral credit products (green loans) used to fund sustainability-related projects. Corporate financing can also take the form of KPI-linked loans and ESG rating-linked loans, where the conditions are based on the extent of the company's transformation efforts. Indicators for this include individually agreed key figures, some of which are externally validated, such as reductions in CO₂ emissions. Sustainability ratings, which show a company's sustainability efforts in comparison to the sector performance, can serve as another measurement parameter. In addition, the Bank is working on expanding its financing offering with sustainability components.

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SF2

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The range of sustainable and therefore also green investments is also becoming a more important factor in the Private and Small-Business Customers segment. In this respect, we contribute towards sustainable development and take advantage of the associated business opportunities. 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, and integrate sustainability aspects into asset management as well as sustainable capital market instruments. In our asset management portfolios and in the case of financial instruments recommended as part of investment advice, we do not invest directly (stocks and bonds) in companies that, according to the rating agency MSCI, have business activities in the segment of controversial weaponry. In addition, we do not use financial instruments that make direct or indirect investments (for instance derivatives) in staple foods such as wheat, maize and soy."

As part of promotional conditions, we offered a large number of sustainability funds online and in our branches during different promotional campaigns throughout 2023 in order to attract more customers to this investment option.

In the investment business with regard to our Corporate Customers, we, too, want to contribute to sustainable development and take advantage of the associated business opportunities, for example by offering sustainable funds, integrating sustainability matters into asset management and using sustainable capital market instruments. We also take our customers' sustainability preferences into consideration as standard when giving investment advice.

In 2007, we were involved in issuing the world's first green bond. Since then, we have supported a large number of companies in preparing and issuing sustainable bonds. In the 2023 reporting year alone, Commerzbank acted as lead manager for the issue of 76 sustainable bonds with a total volume of €61bn (2022: €46.6bn), an increase of more than 30 % year on year. This volume is included in the sustainable business volume in accordance with the criteria set out in the ESG framework.

The transactions supported in 2023 again included a number of issues from companies that for the first time linked their capital market transactions with their sustainability strategy. In addition, Commerzbank supported a growing number of green and social bonds in Swiss francs in 2023 with a volume of more than CHF 1 bn. Through our involvement in various interest groups and professional associations, such as the ICMA Green Bond Principles and the Climate Bonds Initiative, we also make a contribution to furthering the development of the market for sustainable bonds. In total, the Bank has already assisted in the issue of more than 280 sustainable bonds.

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5 Sustainable Finance

SF2

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Commerzbank AG is a participant in the European Emissions Trading Scheme (EU ETS) and the UK Emissions Trading Scheme (UK ETS). It advises companies on the procurement of carbon emissions rights and on the associated risk management aspects and helps to implement the resulting trading strategies. In addition, there is the option of voluntarily offsetting a company's unavoidable carbon emissions with certificates from emission reduction projects. As a member of the World Bank's Carbon Pricing Leadership Coalition (CPLC), the Bank also participates in the global debate on carbon pricing.

In addition, Commerzbank arranges, structures and places sustainable promissory note loans and syndicated loans, particularly in the form of ESG-linked loans, for corporate customers of varying sizes across a wide range of sectors. In these transactions, we regularly act as sustainability coordinator in order to develop ambitious ESG structures, working on behalf of the banking consortium in close consultation with the companies. ESG-linked loans are a comparatively new but very fast-growing product category, and now represent the most common form of sustainable syndicated loans. The terms of the loans are linked to sustainability criteria, predominantly in the form of sustainability-related KPIs or a borrower ESG rating. If the borrower meets the predefined targets for these KPIs or the underlying rating, the interest rate is lower – with higher interest rates applying if they are not met. Sustainable promissory note loans operate in essentially the same way. Since 2017, we have been participating in working groups of the Loan Market Association to actively shape the implementation of sustainability in the syndicated loan market.

The volume of new sustainable loans and promissory note loans also includes 65 sustainable syndicated loans and promissory note loans for companies at the global level with a total transaction volume of €74.7bn (Commerzbank loan commitments of around 6 %). Syndicated loans accounted for the major part of the volume.

SF3

SDG 7, 12, 13

UNGC 2, 9

Assets subject to Positive and negative environmental or social screening

Commerzbank offers its customers an increasing number of investment opportunities in the growing market of responsible investments. For example, it distributes sustainability funds from various providers to private and institutional customers.

As a signatory to the UN PRI, the Asset Management unit at Commerzbank is committed to incorporating sustainability aspects into its analysis and decision-making processes and making an active contribution to responsible investment decisions. Asset Management therefore offers wealthy individuals as well as corporate and small-business customers various solutions that take environmental and social factors into consideration. In particular, customers can agree on individual sustainable asset management in which the security selection not only takes exclusion criteria and sustainability ratings into account, but also aims to invest in companies with sustainable business activities. In 2023, “Vermögensverwaltung Nachhaltigkeit” (Sustainable Asset Management) celebrated its 10th anniversary. The overall picture shows that the integration of ESG criteria does not engender any systematic disadvantages for performance and improves risk management. Overall, the proportion of sustainable investments, which under the ESG framework feed into the sustainable business volume, has increased significantly in recent years and as at the end of 2023 accounted for 12.5 % of Commerzbank Asset Management’s AuM.

The digital and sustainable asset management offering “cominvest green” from the Commerzbank brand comdirect gives customers the choice between a wide range of exchange-traded funds (ETFs) that reduce adverse effects in terms of ESG. In addition, the motif investing product allows customers to make targeted investments in megatrends without advice. The funds, ETFs and equities are sorted into themes such as robotics, health, technology and sustainability, which customers can then use to compile their portfolio. These products are also available to select for other investment formats such as savings plans.

Commerz Real combines sustainable investment opportunities with a direct contribution to shaping the energy revolution: Numerous investments have followed since the first investments were made in solar energy via funds back in 2005. The portfolio has also been expanded to include onshore and offshore wind turbines. The Commerz Real Group holds stakes in 55 ground-mounted solar parks and 41 onshore/offshore wind farms with an annual total rated output of around 1,573 megawatts, making it one of the largest German asset managers in this segment today. A further 511 megawatts of total rated output can be realised by 2028 through the completion of six previously acquired solar park development projects. The assets under management in renewable energy stood at around €3.3bn at the end of 2023.

In 2020, Commerz Real launched “klimaVest”, the first open-ended real asset fund in the renewable energy sector aimed at private investors, with redemption rights in the form of a European Long-Term Investment Fund (ELTIF). Since 2021, the fund has met the transparency requirements to qualify as a sustainable financial product under Article 9 of the EU Disclosure Regulation. “klimaVest” invests mainly in facilities for the generation of renewable energy and in the infrastructure of the energy revolution. The fund’s investment objective is to generate risk-adjusted returns for investors while making a positive contribution to the achievement of environmentally sustainable objectives within the meaning of the EU taxonomy and in accordance with the Paris Agreement. “klimaVest”’s volume stood at around €1.3bn as at the end of 2023.

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SF3

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In addition, Commerz Real attaches great importance to sustainability in the management of its real estate assets, such as with “hausInvest”. With €17.3bn in assets at the end of 2023, the fund is one of the largest open-ended real estate funds in Europe. In 2021, it became one of the first open-ended real estate funds to promote environmental and/or social objectives pursuant to Article 8 of the Disclosure Regulation. The fund has expanded its investment strategy accordingly. The aim is to reduce the portfolio’s CO₂ footprint to 14 kilogrammes per square meter by 2050. In 2022, “hausInvest” decided to meet the requirement level for environmentally sustainable investments under the EU taxonomy and the minimum requirements for sustainable investments for the purposes of the EU Disclosure Regulation. The taxonomy states that their minimum share is 5 % of the fair value of the real estate belonging to the special fund. In determining the fair value mentioned above, project developments are included from the time of their completion and properties held by real estate companies are included in proportion to their ownership interest.

Since May 2023, the Smart Living Europe Fund has been the first institutional real estate fund from Commerz Real to meet the transparency requirements in accordance with Article 8 of the EU Disclosure Regulation. To this end, a minimum share of 10 % (measured by the market value of the real estate held in the portfolio) is maintained in sustainable investments in accordance with Article 3 of the EU Taxonomy.

In addition, institutional investors who obtain their equity research from Commerzbank also receive quantitative sustainability metrics from Arabesque S-Ray as well as in-depth analyses of ESG factors on specific individual stocks. Commerzbank Research, together with Arabesque S-Ray, assesses companies in terms of their compliance with the principles of the UN Global Compact and produces an ESG score. This information is made available to customers in addition to fundamental equity votes.

Sustainability aspects are also playing an increasingly important role in the Bank’s own investments. As part of its liquidity management activities, Commerzbank is increasingly investing in sustainable bonds and building up its own ESG portfolio. To this end, the Bank plans to invest an increasing proportion of its own assets in green, social and sustainability bonds. By the end of 2023, their volume within the liquidity portfolio had reached €3.1bn.

Commerzbank takes sustainability aspects into consideration in its company pension scheme in Germany, with asset managers only selected for the pension plan if they have signed up to the UN Principles for Responsible Investment (UN PRI).

GRI Content Index

Commerzbank AG has reported in accordance with the GRI Standards for the period 01.01.2023 - 31.12.2023.

GRI 1: Foundation 2021 applied.

All information as well as reason and explanation for omitting individual requirements are listed in the GRI content index.

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the German version of the report.



CONTENT INDEX
ESSENTIALS SERVICE

2024

Statement of use	Commerzbank AG has reported in accordance with the GRI Standards for the period 01.01.2023 - 31.12.2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
General Disclosures							
The organization and its reporting practices							
GRI 2: General Disclosures 2021	2-1 Organizational details	9		<u>6</u>			
	2-2 Entities included in the organization's sustainability reporting			<u>7</u>			
	2-3 Reporting period, frequency and contact point			<u>7</u>			
	2-4 Restatements of information			<u>8</u>			
	2-5 External assurance			<u>8</u>			
Activities and workers							
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	9		<u>9</u>	No		
	2-7 Employees	8		<u>11</u>	No		
	2-8 Workers who are not employees				Yes	Not applicable	Proportion of workers who are not employees is insignificant compared to total workforce.
Governance							
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	16		<u>14</u>	No		
	2-10 Nomination and selection of the highest governance body	5, 16		<u>15</u>	No		
	2-11 Chair of the highest governance body			<u>17</u>	No		
	2-12 Role of the highest governance body in overseeing the management of impacts	16		<u>18</u>	No		
	2-13 Delegation of responsibility for managing impacts	16	7, 8	<u>20</u>	No		
	2-14 Role of the highest governance body in sustainability reporting			<u>22</u>	No		

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
General Disclosures							
GRI 2: General Disclosures 2021	2-15 Conflicts of interest			<u>22</u>	No		
	2-16 Communication of critical concerns	16	1, 2, 10	<u>23</u>	No		
	2-17 Collective knowledge of the highest governance body	16		<u>23</u>	No		
	2-18 Evaluation of the performance of the highest governance body			<u>24</u>	No		
	2-19 Remuneration policies	8	3, 6	<u>24</u>	No		
	2-20 Process to determine remuneration				Yes	Information unavailable/incomplete	This information is currently incomplete. The disclosure will be published as part of the CSRD report from the reporting year 2024 onwards.
	2-21 Annual total compensation ratio				Yes	Information unavailable/incomplete	This information is currently incomplete. The disclosure will be published as part of the CSRD report from the reporting year 2024 onwards.
Strategy, policies and practices							
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	10, 13, 15, 16	1, 2, 6, 7, 8, 9	<u>3</u>	No		
	2-23 Policy commitments	12, 13, 15, 17	1, 2, 6, 7, 8, 10	<u>26</u>	No		
	2-24 Embedding policy commitments	16, 17	7, 8	<u>29</u>	No		
	2-25 Processes to remediate negative impacts	8, 12	1, 2, 4, 5, 7, 10	<u>31</u>	No		
	2-26 Mechanisms for seeking advice and raising concerns	16	1, 2, 10	<u>32</u>	No		
	2-27 Compliance with laws and regulations	16	1, 2, 4, 5, 7, 10	<u>32</u>	No		
	2-28 Membership associations	17		<u>34</u>	No		
Stakeholder engagement							
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement			<u>36</u>	No		
	2-30 Collective bargaining agreements	8	3, 6	<u>24</u>	No		

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	8		<u>40</u>			
	3-2 List of material topics	8		<u>41</u>			
Indirect Economic Impacts Material topics addressed: Climate protection & adaption, Environmental protection & biodiversity, Resource utilization, conservation & circular economy							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 9	1, 2, 7, 9	<u>43</u>	No		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	4, 10, 13	1, 8	<u>44</u>	No		
	203-2 Significant indirect economic impacts	4, 10, 13	1, 8	<u>44</u>	No		
Anti-corruption Material topics addressed: Governance & Compliance							
GRI 3: Material Topics 2021	3-3 Management of material topics	16	10	<u>49</u>	No		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	16	10	<u>50</u>	No		
	205-2 Communication and training about anti-corruption policies and procedures	16	10	<u>50</u>	No		
	205-3 Confirmed incidents of corruption and actions taken	16	10	<u>51</u>	No		
Tax Material topics addressed: Governance & Compliance							
GRI 3: Material Topics 2021	3-3 Management of material topics	16	10	<u>52</u>	No		
GRI 207: Tax 2019	207-1 Approach to tax	16		<u>53</u>	No		
	207-2 Tax governance, control, and risk management	16		<u>54</u>	No		
	207-3 Stakeholder engagement and management of concerns related to tax	16		<u>55</u>	No		
	207-4 Country-by-country reporting	16		<u>56</u>	No		

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Material topics							
Energy Material topics addressed: Climate protection & adaption, Resource utilization, conservation & circular economy							
GRI 3: Material Topics 2021	3-3 Management of material topics	7, 12, 13	7, 8	57	No		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	7, 12, 13	7, 8	58	No		
	302-2 Energy consumption outside of the organization				Yes	Information unavailable/incomplete	Figures are not reported by the VfU tool.
	302-3 Energy intensity		7, 8	59	No		
	302-4 Reduction of energy consumption	12, 13	7, 8	59	No		
	302-5 Reductions in energy requirements of products and services				Yes	Not applicable	Commerzbank is no manufacturing company. Therefore, this category is not available.
Biodiversity Material topics addressed: Environmental protection & biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 14, 15	7, 8	60	No		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6, 14, 15	7	60	No		
	304-2 Significant impacts of activities, products and services on biodiversity	6, 14, 15	7	63	No		
	304-3 Habitats protected or restored	6, 14, 15	7	64	No		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				Yes	Information unavailable/incomplete	Particularly, there is a lack of location-specific information about the economic activities of our customers. We are constantly looking for suitable sources to improve the data situation.

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission			
					Requirement(s) omitted	Reason	Explanation	
Material topics								
Emissions Material topics addressed: Climate protection & adaption, Resource utilization, conservation & circular economy,								
GRI 3: Material Topics 2021	3-3 Management of material topics	12, 13	7, 8	65	No			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3, 12, 13	7, 8	67	No			
	305-2 Energy indirect (Scope 2) GHG emissions	3, 12, 13	7, 8	67	No			
	305-3 Other indirect (Scope 3) GHG emissions	3, 12, 13	7, 8	67	No			
	305-4 GHG emissions intensity	3, 12, 13	7, 8	71	No			
	305-5 Reduction of GHG emissions	3, 12, 13	7, 8, 9	72	No			
	305-6 Emissions of ozone-depleting substances (ODS)					Yes	Information unavailable/incomplete	Figures are not reported by the VfU tool.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions					Yes	Information unavailable/incomplete	Figures are not reported by the VfU tool.
Supplier Environmental Assessment Material topics addressed: Climate protection & adaption, Resource utilization, conservation & circular economy,								
GRI 3: Material Topics 2021	3-3 Management of material topics	12	4, 5, 7	72	No			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	12	7	73	No			
	308-2 Negative environmental impacts in the supply chain and actions taken	12	7	73	No			
Employment Material topics addressed: Equal opportunities & diversity, Human rights & employee rights, Education & enablement								
GRI 3: Material Topics 2021	3-3 Management of material topics	5, 8, 10	6	74	No			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5, 8, 10		76	No			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				Yes	Information unavailable/incomplete	This information is currently incomplete. The disclosure will be published as part of the CSRD report from the reporting year 2024 onwards.	
	401-3 Parental leave				Yes	Information unavailable/incomplete	This information is currently incomplete. The disclosure will be published as part of the CSRD report from the reporting year 2024 onwards.	

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Material topics							
Occupational Health and Safety Material topics addressed: Health & security							
GRI 3: Material Topics 2021	3-3 Management of material topics	3, 8	1, 6	78	No		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3, 8	1, 6	79	No		
	403-2 Hazard identification, risk assessment, and incident investigation	3, 8		79	No		
	403-3 Occupational health services	3, 8		81	No		
	403-4 Worker participation, consultation, and communication on occupational health and safety	3, 8		82	No		
	403-5 Worker training on occupational health and safety	3, 8		83	No		
	403-6 Promotion of worker health	3, 8		83	No		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				Yes	Not applicable	For a bank, the impact on occupational safety and health directly related to business relationships is insignificant/negligible.
	403-8 Workers covered by an occupational health and safety management system	3, 8		84	No		
	403-9 Work-related injuries	3, 8		84	No		
	403-10 Work-related ill health				Yes	Not applicable	As a financial institution, Commerzbank does not have work-related illnesses that can be documented solely as a result of an activity at the bank.
Training and Education Material topics addressed: Education & enablement							
GRI 3: Material Topics 2021	3-3 Management of material topics	4, 8	6	85	No		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4, 8, 10		86	No		
	404-2 Programs for upgrading employee skills and transition assistance programs	4, 8, 10	6	87	No		
	404-3 Percentage of employees receiving regular performance and career development reviews	4, 8, 10		88	No		

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Material topics							
Diversity and Equal Opportunity Material topics addressed: Equal opportunities & diversity,							
GRI 3: Material Topics 2021	3-3 Management of material topics	5, 8, 10	1, 6	89	No		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5, 8, 10	6	91	No		
	405-2 Ratio of basic salary and remuneration of women to men	5, 8	1, 6	94	No		
Non-discrimination Material topics addressed: Equal opportunities & diversity, Human rights & employee rights,							
GRI 3: Material Topics 2021	3-3 Management of material topics	5, 8, 10	1, 6	94	No		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5, 8, 10, 16	1, 6	96	No		
Freedom of Association and Collective Bargaining Material topics addressed: Equal opportunities & diversity, Human rights & employee rights,							
GRI 3: Material Topics 2021	3-3 Management von wesentlichen Themen	8	2, 3	96	No		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Betriebsstätten und Lieferanten, bei denen das Recht auf Vereinigungsfreiheit und Tarifverhandlungen bedroht sein könnte	8	2, 3	96	No		
Supplier Social Assessment Material topics addressed: Human rights & employee rights, Health & security							
GRI 3: Material Topics 2021	3-3 Management of material topics	12	1, 2, 4, 5	97	No		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	8, 12	1, 2	97	No		
	414-2 Negative social impacts in the supply chain and actions taken	8, 12	1, 2	97	No		
Public Policy Material topics addressed: Governance & Compliance							
GRI 3: Material Topics 2021	3-3 Management of material topics	16	1, 8, 10	97	No		
GRI 415: Public Policy 2016	415-1 Political contributions	16	10	98	No		

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GRI Standard	Disclosure	SDGs	UNGC	Location	Omission		
					Requirement(s) omitted	Reason	Explanation
Material topics							
Marketing and Labeling Material topics addressed: Product transparency & data security							
GRI 3: Material Topics 2021	3-3 Management of material topics	9, 12	8, 10	99	No		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	12		100	No		
	417-2 Incidents of non-compliance concerning product and service information and labeling	12		100	No		
	417-3 Incidents of non-compliance concerning marketing communications	12		101	No		
Customer Privacy Material topics addressed: Product transparency & data security							
GRI 3: Material Topics 2021	3-3 Management of material topics	12, 16	1, 2	101	No		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	12, 16	1, 2	103	No		
Own Disclosure: Sustainable Finance Material topics addressed: Climate protection & adaption, Product transparency & data security, Governance & Compliance							
GRI 3: Material Topics 2021	3-3 Management of material topics	9, 12, 13	2, 7, 8, 9	104			
Own Disclosure: Sustainable Finance	SF1 Products and Services designed to deliver a specific social benefit	10, 11, 12	1	117			
	SF2 Products and Services designed to deliver a specific environmental benefit	7, 9, 12, 13	9	117			
	SF3 Assets subject to Positive and negative environmental or social screening	7, 12, 13	2, 9	122			



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