



COMMERZBANK

Commerzbank ESG Presentation





- 1. Sustainability Approach**
- 2. Social Dimension**
- 3. Client Business Sustainability**
- 4. Outlook**



Agenda



Sustainability approach

Management view and core beliefs



With the new strategy sustainability is where it belongs: at CEO level



„ Sustainability is a central building block of a strong and, above all, future-proof Commerzbank. [...] Commerzbank already has many examples that show the importance of the topic for our bank” (Dr. Manfred Knof at Capital Markets Day, February 2021)

Sustainability as a business opportunity

- Every client is affected by transformation – we offer innovative products and services to support our clients in the best way
- Customers expect sustainable banking – only if we offer credible products and solutions we will sustain
- Digitization and sustainability go hand in hand – we want to use those synergies

Sustainability has to be approached holistically

- We understand sustainability across all dimensions
- Sustainability affects all segments of our bank – operations, product offering, risk management

Sustainability needs to be managed consequently

- Climate and ESG related risks are potential risks for our clients and for us – we identify, monitor and manage these risks consequently
- Customer relationships which are not sharing our core beliefs will be carefully looked at

Status Quo


- Since Dr. Manfred Knof took over as CEO in 2021, sustainability is **directly within his responsibilities**, establishment of **Group Sustainability Management**
- **Sustainability** is besides **customer-centricity**, **digitization** and **profitability** an integral cornerstone of our new strategy program for 2024
- Commerzbank recognizes sustainability not only as a trend but also as a **duty for our customers, society and future generations**
- Currently there are **three sustainable finance experts** serving on the supervisory board to ensure a holistic anchoring of the topic within management body

Net Zero Commitment at the heart of our sustainability strategy



“We make banking sustainable - for our customers, for us, for everyone”.

Sustainability framework

 Implementation of sustainability KPI's

 Internal & external transformation goals

 ESG control matrix to monitor transformation

“It is our aim to actively shape environmental change. We empower our clients in their sustainable transformation and accelerate the bank transformation at the same time!”



One of the first Net Zero-Banks in Germany

Strong focus on climate change

Constant expansion of activities to „S“ and „G“ and additional environmental issues

Our ESG Strategy follows a holistic view



“Our overarching goal is directed by our commitment to meet the global challenges as a responsible partner for sustainable economic and social development”



E



- Working steadily on reducing our ecological footprint
- Facing and supporting the transformation process of economy to reach Paris climate goal
- Offering customers environmentally friendly products and services according to demand of today's needs
- Accompanying customers sustainable transition as a valued partner



S



- Being a supportive and attractive employer for our employees and future talents
- We are only satisfied with our performance if our stakeholders are satisfied with us
- Actively supporting and fostering community work and employee engagement, especially in times of pandemic



G



- Foster compliance, responsibility and transparency as elements of our corporate culture and act in accordance with the law
- Assuming responsibility for our actions, our products and services, and their impact
- Ensuring Commerzbank's long-term profitability by assessing risks comprehensively

Ambitious environmental Transformation goals



“Sustainability is one major cornerstone of our 2024 strategy. In this way we contribute to a transformation, inspire customers, employees and investors for the bank.”



Bank transformation

“We will reduce the carbon footprint of our entire credit and investment portfolio to net zero by 2050 at the latest”

0 kg



Customer transformation

Net CO2 emissions from financing in the total portfolio until 2050

0 kg



Sustainable Finance Framework der Commerzbank

Mai 2021

High transparency which products we attribute to this volume target, information can be found in publicly available reports

Volume for sustainable products until 2025

€300 bn

New established: Group Sustainability Board

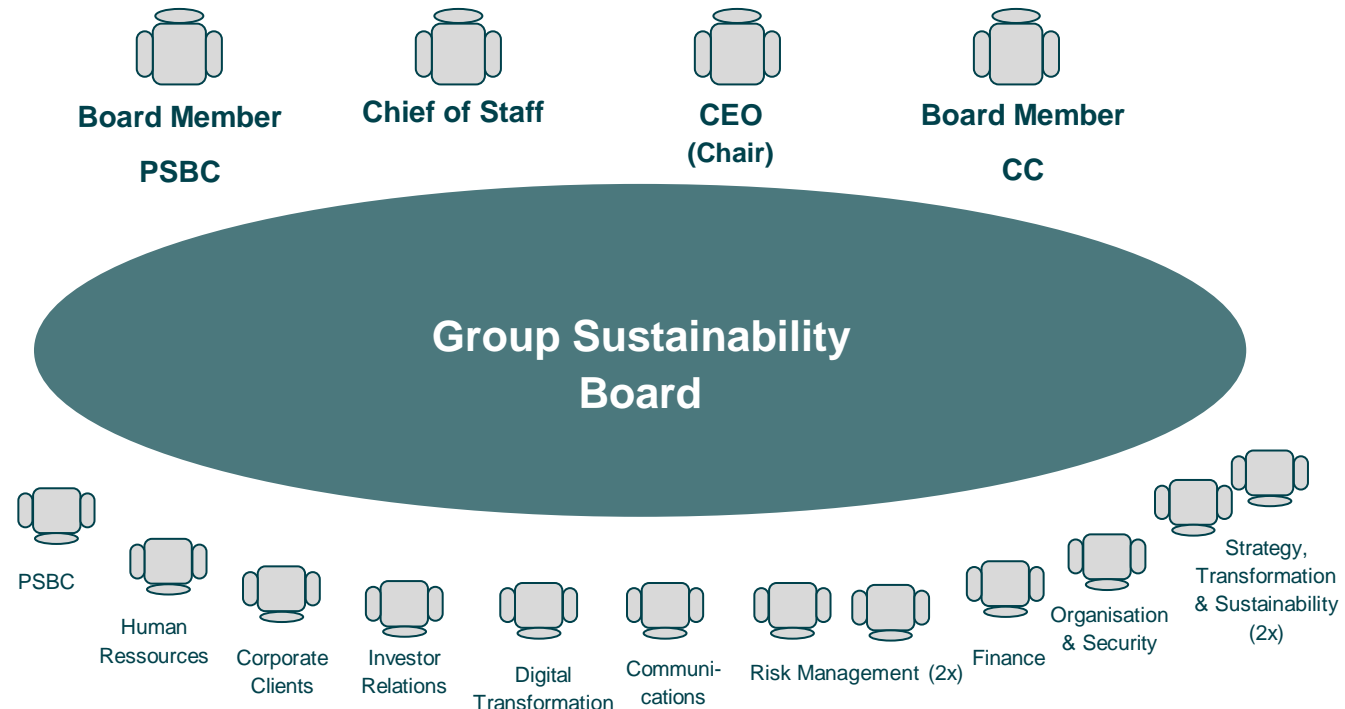


"Sustainability is not only playing an increasingly important role in the everyday lives of our customers – we as a bank are also convinced that sustainability is a central issue of our time and our future actions."

The Boards tasks:

- We commit ourselves to the Paris Agreement
- With the Group Sustainability Board, we anchor the entire topic of sustainability in our organization and want to develop a common understanding for it
- Defining the Bank's strategic SDGs and monitor the measures taken to implement and manage them
- Develop an ambitious sustainability strategy inline with our business strategy alongside attractive KPIs to measure our success

The Boards composition:



High responsibility through our memberships & initiatives

High commitment to foster sustainable development combined with a wide range of social engagement

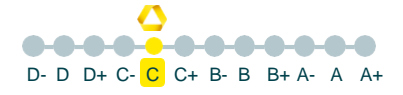
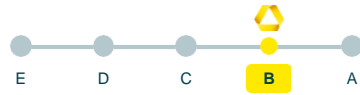
Environmental engagement



Social engagement



Above-average ESG ratings proof our efforts



ISS QualityScores

- Commerzbank assigned with low ESG risks by ISS ESG QualityScores
- Environment and Social QualityScore 1
- Governance Quality Score 4



Climate Change Rating

- Commerzbank's rating is above-average of the financial sector (C)
- Positioned as "Sector Leader Financials" in DACH region (ranked top 15% of financials in Germany, Austria and Switzerland)



ESG Rating

- Double A rated in the upper part of the MSCI ESG rating scale
- Above-average positions in terms of private & data security, financial product safety, human capital and financing environmental impact



ESG Risk Rating

- Commerzbank is at medium risk of experiencing material financial impacts from ESG factors (score of 23.3 / 100 with 0 being the best)
- Very well positioned above industry average on the 15th percentile

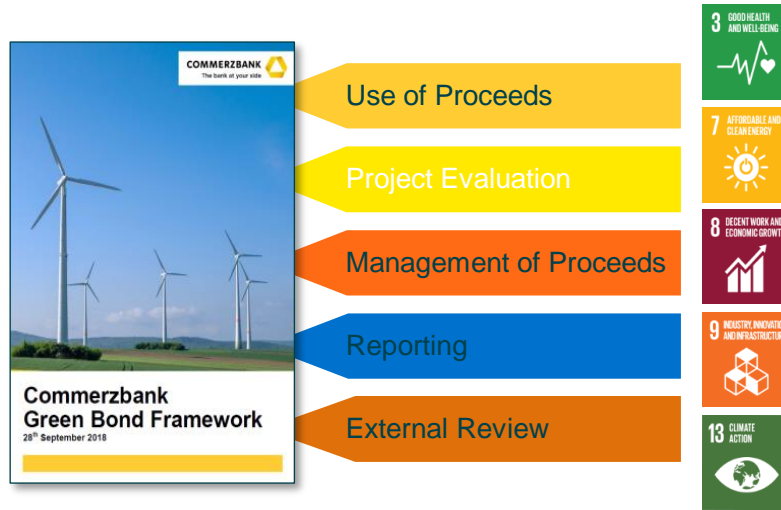


ISS ESG Corporate Rating

- Rated in the ISS ESG Prime Segment – top 10% of industry group
- Excellent ratings especially in the categories environmental management, corporate governance and business ethics

Commerzbank issued Green Bonds with a volume of €1bn

Commerzbank Green Bond Framework



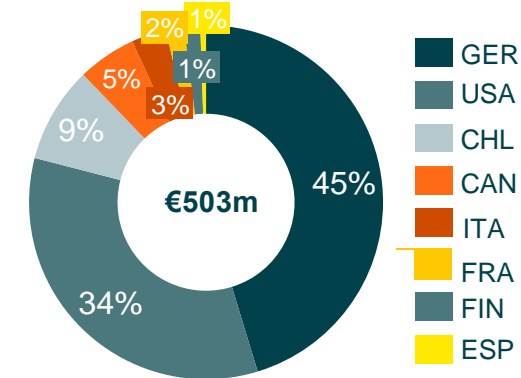
Commerzbank is part of NSBN



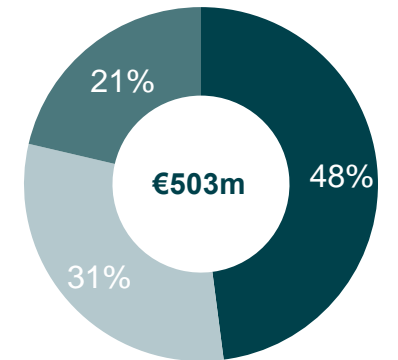
In August 2020 we joined Nasdaq's Network which fosters transparency between Green Bond frameworks as first German issuer

Green Bond I: Overview of assigned assets¹⁾

... by country

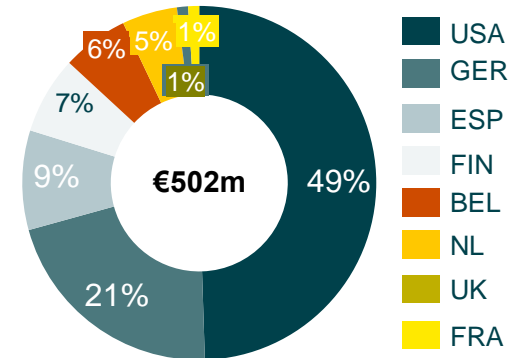


Allocation by technology

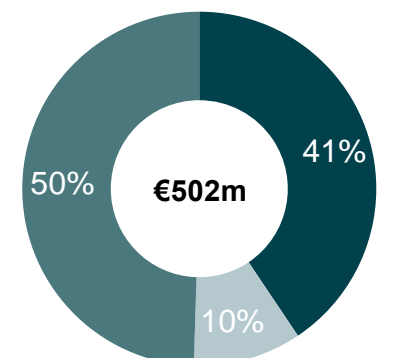


Green Bond II: Overview of assigned assets

... by country



Allocation by technology



¹⁾ Based on allocation reporting of 06/2020

We are also members of the green bond principles since mid-2014 and are subject to annual reviews by a second party opinion provider





Social Dimension

Human rights as a basis for Commerzbank's operations



High commitment within the UN Global Compact



▶ **Principle 1:** Companies should support and respect the protection of internationally proclaimed human rights.

▶ **Principle 2:** Companies should ensure that they are not complicit in human rights abuses.

Commerzbank joined **the UN Global Compact in 2006**. Since then, as part of our **sustainability reporting**, we have issued **annual reports on the progress** we have made in implementing and **integrating the objectives** of the Compact in the processes and structures of the bank.

Commerzbank has thus committed itself to the following goals:

- supporting and respecting the protection of the internationally proclaimed human rights,
- ensuring not to be complicit in human rights abuses,
- safeguarding the freedom of association and the effective recognition of the right to collective bargaining,
- standing up for the elimination of all forms of forced labour,
- standing up for the abolition of child labour, and
- promoting the elimination of discrimination in regard to employment and occupation.

Diversity at the center of our organizational culture



“We believe that having a diverse and inclusive organization is integral to the success of Commerzbank”



Employee Demographics

- The average age in Commerzbank is 45.6 years*
- The Bank's training rate (as of the first half of 2020) is 2.8%**
- Part-time working model (30%) of which 87% women, 13% men



International Employees

- **1,269 non-German** employees from **84 nations**
- Employees from **119 nations** work in Commerzbank Group
- The largest foreign locations are Warschau (mBank), London, Prague, Singapore, New York, Lodz, Sofia



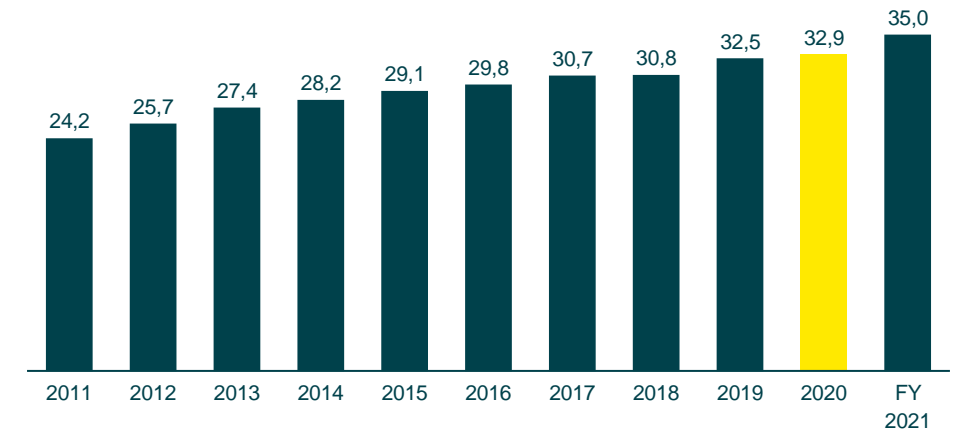
Disabilities

- With **1,742 jobs** filled by severely disabled employees
- **5.65%** of all jobs at Commerzbank AG (exceeded requirement of 5% for the sixth year in a row)



Women and Equality

Development of **women** in management positions in (%)



*Commerzbank AG Germany, permanent staff & young talent + absence

**Commerzbank AG Germany, definition: (trainees + SdS + permanent staff)

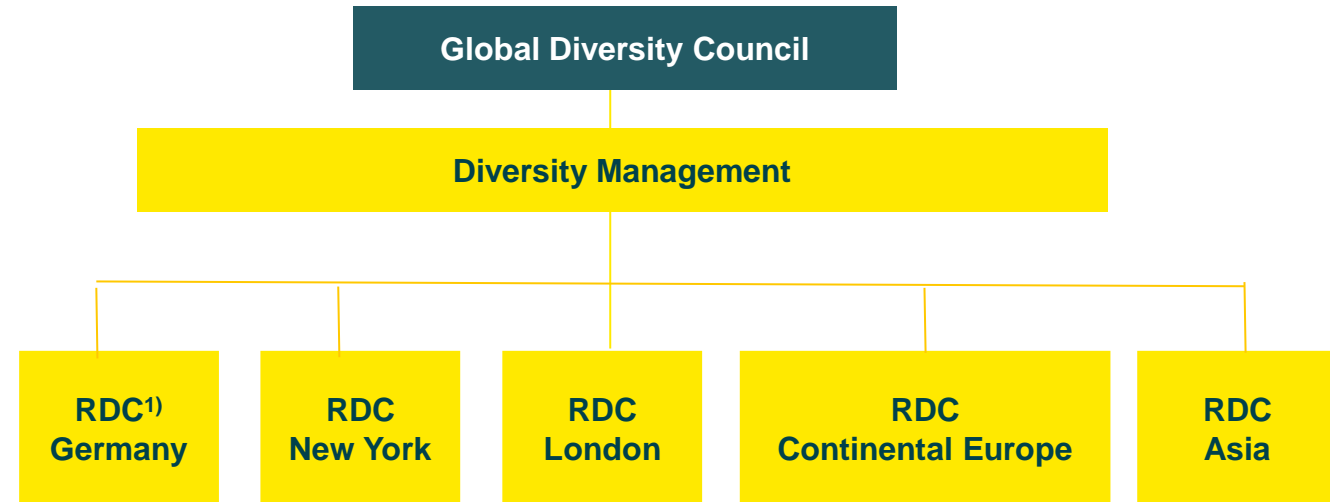
Wide range of lived Diversity at Commerzbank



“We are committed to a wide range of activities: equal opportunities and gender diversity, diversity of generations, inclusion of people with disabilities, Cultural diversity, sexual orientation and identity, Reconciling private life and work!”

Events for parents, women and LGBT*IQ employees

Advice & Mediation on Childcare & Eldercare



1) Regional diversity council

Accompaniment of the employee network



- to build up intercultural know-how
- competence training in the topic of Diversity portal on the Internet for employees and retirees

Broad engagement through many initiatives and networks



“Commerzbank’s employee networks make a further important contribution to a lively and diverse corporate culture and thus support our diversity management goals”

EMPLOYEE NETWORKS

More than **1.500** employees engage in different employee networks

OUR ENGAGEMENT

- Charta der Vielfalt
- Proud at Work
- Unternehmensforum e.V.
- GenderDax



- „Courage“ (since 1998): female network of Commerzbank
- „Arco“ (since 2002): network for lesbian, gay, bisexual, trans- & intersexual employees (LGBT*IQ)
- Focus Fathers“ (since 2004): network for compatibility of fatherhood & work
- „Cross Culture“ (since 2013): intercultural network
- „Eldercare“ (since 2013): network for employees with family members depending on care
- „Ichthys“ (since 2017): Christian network
- „Ideal“ (since 2018): network for employees with Disabilities

"Wikldee".

- Every Commerzbank employee has the opportunity to submit their ideas for improving workflows and products via this system and to discuss them online with other colleagues on request
- **1.250** ideas were submitted in 2019

HEALTH & EMPLOYEE WELL-BEEING

- Comprehensive range of information & training on health related topics
- Financial support (e.g. for attending a professional stress management seminar)
- Many actions and motivations for a healthy lifestyle
- **160** company sports groups across Germany with over 16,000 members
- More than **50** types of sport, from aerobics to zumba
- Approximately one thousand volunteers organise training and events every day

We invest in our employee development



“We want to discover and develop the skills of our employees at an early stage. Therefore, we support our employees through active promotion of young talent & education and training”

A broad range of workshops & events is offered

- Programs for specialists, experts, managers, project leader to develop personal, non-specialist skills that are particularly relevant for taking on a function at a **next higher specialist level** (duration approx. 6-9 months).
- **Contents:** Management skills, change management skills, decision-making skills, moderation and presentation skills via online or face to face formats.
- **594,737 hours were invested in** training and further education of Commerzbank AG Inland employees (including self-learning media and face-to-face events).
- **18.7 hours** per employee in the reporting period.
- Since 2005 yearly around **50 events** relating to different fields of Diversity were offered.
- Events, presentations or virtual workshops are free of charge and generally take place during spare time.
- While Corona more than 30 virtual workshops took place.
- Topics are development of intercultural competencies, eldercare, promoting gender diversity etc.

Programs for schoolkids & students

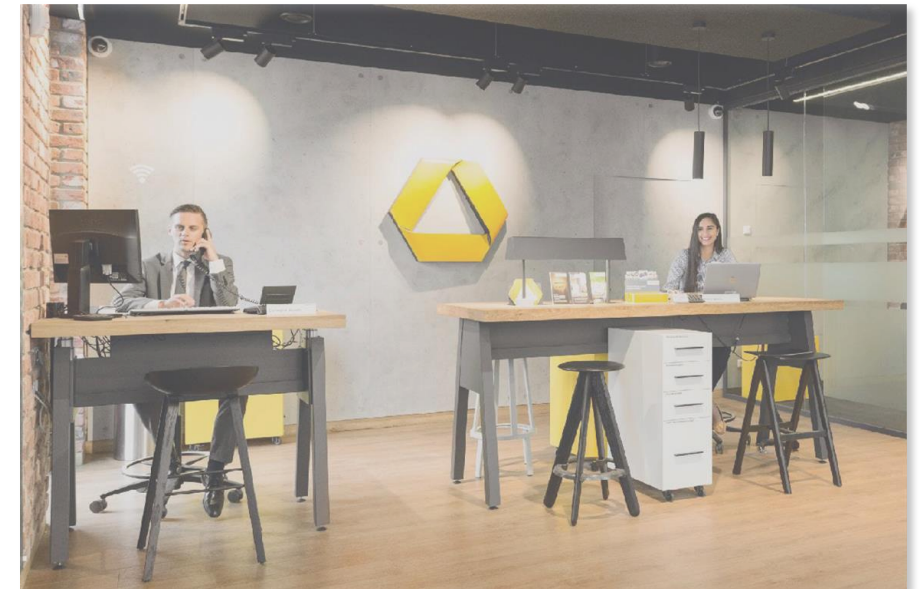
Frankfurt School of Finance & Management

Umweltpraktikum

” Education mentor programme”– business@school

Studienkreis

Stiftung Rechnen



Our Covid-19 response - supporting our customers, community & employees



Our existing customers

- Helping our customers with a quick and unbureaucratic processing of KfW loans
- 15% market share in KfW loans (credit inquiries up to €20bn)

commerzbank
hilft.de ♥♥♥

Powered by optipay

Our community

- Supporting local business with Commerzbankhilft.de
- Platform for buying vouchers of local businesses to keep up their funding



Our employees

- Implementation of flexible working models and the possibility for employees to work from home
- Our Coronavirus Task Force ensures that employees can work safely in the office even in times of a global pandemic
- 1640 employees were hired during Covid-19



Our new customers

- With our digital product offering our clients can do their banking from home – easy and safe
- 75% of new customers were gained through online account openings



We support our employees in the best way – not only in times of crisis



Flexible working hours

- Provide our employees with the opportunity to bring their working hours in line with their current life situation
- Manage their working time individually through various **part-time models and sabbatical leave offers**.



Childcare

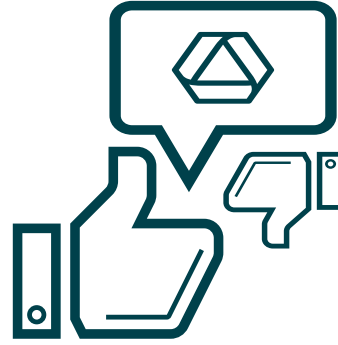
- Offer individual **subsidies for childcare** (from 0-12 years)
- Lectures and workshops on the subject of children's school and education
- **1,747 uses** of virtual childcare during Corona Pandemic



Eldercare

- **115 usages** for the first half year of 2020
- Yearly approximately **40 places for** workshops regarding eldercare in Frankfurt as well as offers through entire Germany

High satisfaction of customers and employees




Our customers

15,000 customers are asked per month

- Customer satisfaction is one of the most important aspects in the evaluation of our business success
- Satisfaction measured through a Net Promoter score (NPS), internationally recognized standard
- The insights gained from this are intended to improve customer service thus also increase customer satisfaction

Key facts


- 
- Short telephone interview whether they would recommend their branch to others using a scalar from 0-10
 - 3 questions are asked
 - Out of 15,000 customers, a high willingness to recommend their branch to others was conducted

Our employees

Survey with 3,500 employees

- Employee satisfaction in times of corporate restructuring is an important indicator whether key objectives of our strategy are being received by employees.
- **Strong employee survey tradition** to get authentic feedback and keep improving. **Employee surveys initiate change measures** and accompany change projects.

Key facts

- 
- Regular short surveys with randomly selected employees
 - 7 questions had to be answered using a rating scale
 - 60% of the colleagues contacted responded
 - The **vast majority** of employees **enjoy working at Commerzbank**



Client business Sustainability



Overview

Increasing sustainable product range until 2025



Commerzbank will mobilize more than **300 billion** euros for a sustainable transformation



- We are constantly expanding our sustainable product range
- The products have one thing in common: they are fundamentally sustainable, have a sustainable purpose or are linked to sustainable criteria
- The volume target includes the money we have mobilized for the transformation:
 - Products that we take on our own balance sheet as well as products that we actively advise, mediate or structure
 - The range of products under consideration will grow in the course of the EU taxonomy
 - We will regularly report transparently on our progress



For Private and Small-Business Clients



For Corporate Clients



Client business Sustainability



Private and Small-Business Clients

Solutions for our clients – offering sustainable banking services



Green mortgage



- Supporting energy efficient buildings with better conditions
- No commitment interest possible for up to 24 months
- By 2020 approx. €1.2bn EaD in green mortgages

ESG asset management & hausInvest



- With investments in sustainable products, customers benefit from a megatrend of our time
- Currently approx. €500m AuM in ESG asset management
- HausInvest's target is a 30% reduction in CO2 emissions, plus a top ESG rating for Commerz Real → officially recognized as a sustainable investment product

Digital Mailbox – good for our customers and environment



- CO2 savings due to elimination of paper and shipping routes
- For every activated digital mailbox we plant a tree in cooperation with Bergwaldprojekt e.V.
- Since 2018 we were able to reforest over 670.000 square meters (~100 soccer fields) of forest in Germany and are one of the largest donors of the project



Wachsende Begeisterung!

Durch Ihre Unterstützung gestalten wir gemeinsam die Zukunft und fördern Naturschutzprojekte.

COMMERZBANK
Die Bank an Ihrer Seite

JETZT AKTIV WERDEN!

KlimaVest – Impact investing for private customers







“KlimaVest is the next step in taking our customers on the path to greater sustainability”
(Sabine Schmittroth, Board Member)

klimatevest

Key facts




- First impact fund for private investors
- Set up by Commerz Real in Q4 2020
- Investing in real assets
- Exclusively distributed through Commerzbank

			
> 80,000 t	3 – 4 %	5 years	~€420.2m
CO2 reduction	Return expected	Investment period	Fund assets

- Build a portfolio of renewable energy generation assets, sustainable infrastructure, mobility and forestry assets worth a total of at least €25 billion, of which €10 billion is equity
- Investors can participate from 10,000 euros and receive regular reporting on the performance and on the climate impact achieved by the assets in the fund.



Benefits

-  Measurable contribution to reducing carbon dioxide emissions
-  Meet other sustainability parameters of the applicable EU taxonomy
-  Calculate impact of their investments on personal CO2 footprint (depending on the amount subscribed)



Client business Sustainability



Corporate Clients

Offering our clients a broad portfolio of Green Capital Markets and funding products



Green/Social/
Sustainable
Bonds



Green
Promissory
Notes



Green Term
Loans



Sustainable
Revolving
Credit Facility



Sustainability
Linked Bonds



Sustainability
Linked Loans



Focus on use of proceeds

Focus on sustainability
performance of issuer

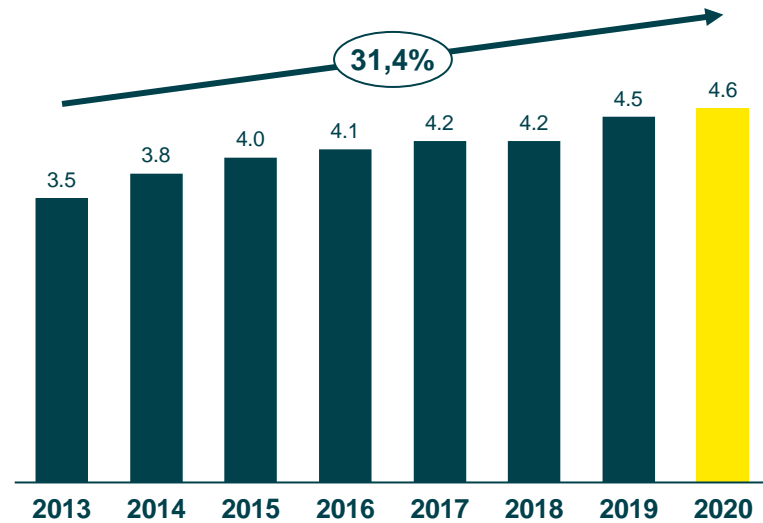
»» For every funding product we offer a sustainable alternative for our corporate clients

Facts & Figures:

- Commerzbank was involved in Green Bond transaction with a total volume of €46bn in 2020 (31 transactions)
- Mandated lead arranger in over 100 Green Bond transactions so far (including inaugural German Green Bund in September 2020)
- In 2007 we were involved in the first Green Bond transaction ever for the EIB (Climate Awareness Bond)

CoC Energy – Specialized on financing Renewable Energy projects since 2003

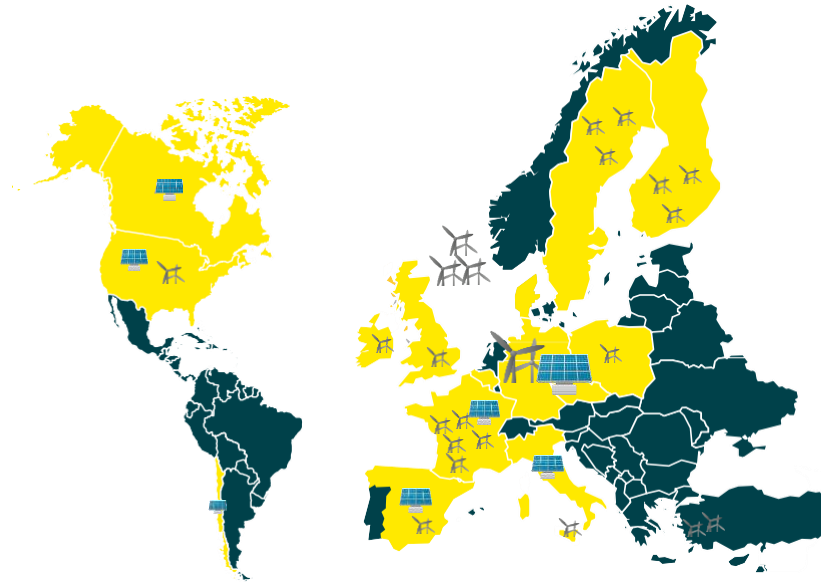
Renewable Energies (RE) project finance portfolio
(EaD, €bn eop)



- Operating out of our two CoC Energy offices in **Hamburg** and **New York** we finance renewable energy projects **around the globe**
- CoC Energy well established as a **leading financier of RE projects** in Europe as we early realized the necessity and potential of renewables financing

1) MLA = Mandated Lead Arranger

Global footprint of Renewable Energy financing



Offshore:

- Commerzbank active globally as MLA¹ and lender with offshore projects in Germany, France, Belgium, UK and Taiwan

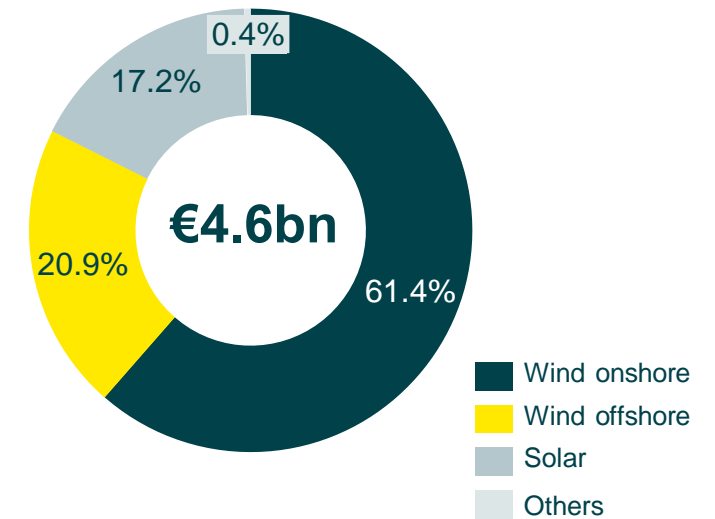
International RE project finance:

- amongst others UK, France, Spain, US, Italy and Chile

Core market Germany:

- approx. 60% of portfolio in Germany

Renewable Energy portfolio



58% invested in Germany



42% invested globally

Further ESG activities to support Mittelstand and SMEs



Carbon emissions trading as a compensation solution



- Commerzbank is a leading bank in the European carbon emissions trading market
- We support the German Mittelstand at managing CO2 risks with our innovative solutions
- To help finding a price which reflects the environmental damage done by emissions, Commerzbank engages at the Carbon Pricing Leadership Coalition of World Bank



Supporting companies and sectors in emerging markets



- To foster and ensure smooth international trade especially in emerging markets development banks (e.g. ADB, IADB, IFC) set up special trade facilitation programs
- We cooperate closely with the most important development banks and support SMEs in their trading activities

Consulting the Mittelstand at improving energy efficiency



- Meeting energy efficiency targets because increasingly important for Mittelstand to reduce energy costs and to fulfil laws and regulation
- With a share of 9% we are a leading bank in commercial energy efficiency programs of KfW
- We provide consulting and access to suitable funding opportunities for the energy transition

Bolstering Mittelstands capital adequacy



- Together with KfW we established AF equity fund for German Mittelstand
- The fund is targeted at unlisted SMEs in Germany with annual sales below €500m
- The SMEs can call down equity investments between €10m and €30m for a minority stake in their firm

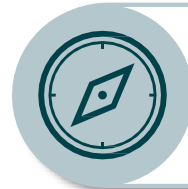


Outlook



ESG Timeline

Clear milestones for sustainable transformation



Execution of a holistic ESG approach



Stringent fulfillment of Net-Zero Bank obligations



Constant transformation of organization towards a sustainable business model

ESG information regularly published in various formats



Overview of various communication elements regarding sustainability issues

Sustainability magazine

- Semi-annual reporting since 2005
- Transparent, open and future-orientated report including the banks sustainability initiatives

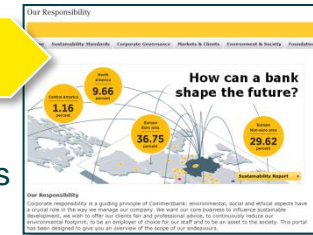


Sustainability portal

- Comprehensive portal including all sustainability initiatives and policies



sustainability.commerzbank.com
climate-neutral.commerzbank.com



Corporate Responsibility Report

- Published in Group Annual Report
- Focuses on sustainability, climate change, integrity, civil society
- Non-financial Report



Factsheet & Newsletter

- Sustainability Factsheet and Newsletter reported quarterly



sustainability@commerzbank.com



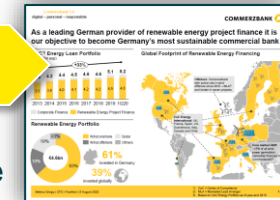
GRI¹ results / Progress report about UN Global Compact

- Progress report on UN Global Compact implementation and DNK declaration of conformity²



Capital markets disclosure

- Sustainability ratings as a part of quarterly Investor Relations disclosure



1) GRI = Global Reporting Initiative
 2) DNK = Deutscher Nachhaltigkeitskodex (German Sustainability Codex)



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Financial calendar 2021

4 August

Q2 2021 results

4 November

Q3 2021 results

Disclaimer



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