



COMMERZBANK

Commerzbank London and gender pay gap reporting

September 2021



Introduction

Commerzbank London and the gender pay gap

In this document, we're reporting the Commerzbank London gender pay gap (GPG) figures for 2020 and 2021, with the latter being reported earlier than required.

We're pleased to say that our 2021 figures **show progress** in reducing the mean hourly rate of GPG by 4 per cent and the difference in our median hourly rate of pay has decreased by 3.9 per cent in comparison to 2020 figures. Additionally, since 2017, there's been a narrowing of the GPG emerging as evidenced across parts of our data. For transparency, it should be noted that technicalities in the way bonus payments are calculated had an impact on our GPG numbers.

We recognise that our journey to eliminating the GPG isn't a linear process, it won't happen overnight and it won't be without fluctuations from year to year. Nevertheless, it's encouraging to see green shoots of progress from actions we've taken, in tandem we're fully aware that significant further steps to improve our GPG still need to be made.

Looking ahead, there's a need to increase the number of women in senior leadership roles and we'll continue with initiatives such as striving to develop a pipeline of female talent at all levels - our senior leaders are fully engaged and devoting resources to this. We've recently enhanced our Management Committee in London to create more diversity, welcoming four senior female colleagues and representatives from additional departments as voting members.

Diversity is at the centre of our culture and we know that a diverse and inclusive organisation is integral to the success of Commerzbank, our colleagues and our clients. Commerzbank's Chief Executive Officer, Manfred Knof, recently announced that by 2030, 40 per cent of all management positions at Commerzbank AG Group are to be held by women. The Bank is on its way to achieving this goal, and has two female Board Members: Bettina Orlopp, Chief Financial Officer and Deputy Chairperson, and Sabine Schmittroth, Head of Group HR.

I can confirm that the information contained in this report is accurate.

David Clapham

IC Regional Board Member and London CEO



The UK gender pay gap reporting

UK gender pay gap (GPG) reporting requirements came into effect in 2017. The GPG is the difference between the average hourly earnings of men and women, expressed relative to men's earnings. In this report, we disclose the mean and median GPG, the mean and median bonus gap and the proportion of males and females receiving a bonus as well as proportion of males and females by quartile pay band – you'll find more details on these figures on **page 5**. Finally, it should be noted that the gender pay gap isn't the same as an equality pay gap. Gender pay gap is a representation issue, unequal pay is when women are paid less than men for doing the exact same work.

Why do we have a gender pay gap at Commerzbank London?

At Commerzbank London the primary driver for the GPG and bonus gaps is the difference in representation of women and men in the organisation.

We have fewer women than men in leadership and management roles in the organisation, reasons for this include the historical composition of the workforce in financial services. We're mindful that Commerzbank London is undergoing a transformation to reflect the new strategy of the Bank and the macroeconomic impacts of Brexit. Due to the significance of London as a global financial centre, Commerzbank London will continue to be one of the most important international locations for the Bank. However, these changes mean there will be fewer senior leadership roles based at Commerzbank London. This makes achieving our ambitions even more challenging, but we'll continue to develop Branch initiatives to support gender diversity and sustainable change.



Commerzbank London and the gender pay gap in 2020/2021

At Commerzbank London, we believe that diversity is fundamental to our success in reducing the GPG and we're strengthening our talent pipeline to help us achieve long-term sustainable change. There's been a consistent increase in the proportion of women employed in the more junior (lower and middle quartile) bands over the last four years. This will help us grow our own female talent pool, especially important from a diversity perspective as our preferred route to fill senior positions that become available will always be from internal talent. Combined with a recognition that we need to promote based on potential over experience to create the diversity that we want. Furthermore, we've seen a positive increase in the proportion of females to males in each of the quartile bands since 2017.

These positive changes are encouraging but we recognise that there's still work to be done. We've seen an improvement since we started the reporting and in 2021 women occupied **19.47 per cent** of leadership and management roles locally in comparison to 15 per cent in 2017. However, we've not been able to meet the ambitious targets of 31% which we set ourselves in 2018. In the light of current changes, we're aiming to review our future target in due course.

Our figures:

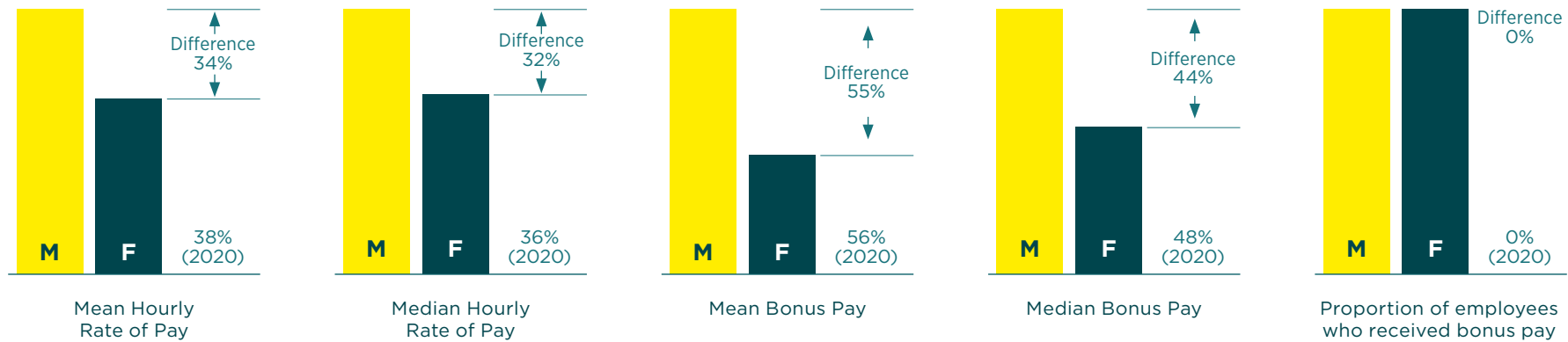
- Mean hourly rate of pay difference is 34 per cent, an improvement of 4 per cent in comparison to April 2020. This shows that, for our relevant London population, the average hourly pay for women is 34 per cent less than the average hourly pay for men.
- The median GPG is the difference between the midpoints in the ranges of men's and women's pay, for Commerzbank London this is 32 per cent in comparison to 36 per cent in April 2020.
- Bonus pay – 99 per cent of female employees receive a bonus versus 99 per cent of male employees.
- Additionally, there's a stable proportion of females working at the Branch: in April 2021 the overall gender split was 32 per cent female versus 68 per cent male (in 2020 and 2019 it was 33 per cent female versus 67 per cent male).



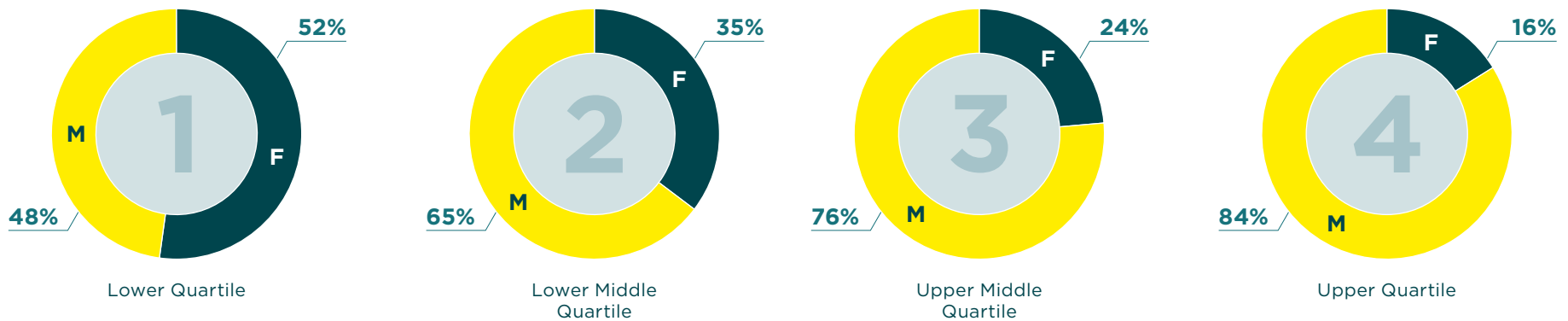


Commerzbank London Branch figures

Where we are? (2021 vs. 2020)



Proportion of Male/Female employees according to quartile bands



Data as at April 2021



Commerzbank's Commitment to Equality

- Commerzbank is fully committed to deliver equality and diversity continues to be a key topic in our management meetings bringing a diversity lens to decision making.
- Managers are required to have objectives forming part of their target agreement setting process to encourage diversity and equality.
- The Branch has had a gender focussed network since 2011, now in its 10th anniversary year.
- We created a network of diversity champions in 2019, significantly increasing the number of diversity topics addressed and events held.
- In 2020, the year of the Global Pandemic, the Branch hosted diversity and inclusion virtual initiatives and events to help support employees working in home offices. Our virtual speaker series hosted by the London Women's network continued to be delivered, featuring external guest speakers who shared strategies for adapting to life under the pandemic and beyond. Topics included resilience, leadership lessons from great female leaders, embracing change, mitigating unconscious bias.
- The London regional diversity council (LRDC) continues to facilitate new employee resource groups. In 2020 and 2021, the Branch launched more employee resource groups than ever before. These include our Early Talent Network, a Reverse Mentoring Pilot, Proud (our LGBTQ+ network).
- A London Virtual Network Scheme organised by our gender network provided colleagues with the opportunity to network and build new relationships.
- The Branch continues to be represented at financial services Gender Networks and diversity forums, which bring together financial services as well as other industries to share experiences and best practices in gender equality.
- We continue to share relevant statistics on a regular basis in the form of diversity scorecards with senior business leaders in the Branch, review developments, set individual business targets and use this information to assess progress.
- In 2020, the Bank re-introduced the best practice Hiring Manager Checklist when selecting new hires. We believe that having a diverse interview and selection process will help offer a broad assessment of candidates. We are therefore committed to attracting and supporting a diverse workforce.
- In 2019 we signed up to the Women in Finance Charter to publicly reflect our internal commitment to creating a more gender balanced workplace. The Bank is continuously working in achieving this target.
- We offer a development programme for new managers at Commerzbank. This programme focuses on ensuring new managers are familiar with their responsibilities and to build managers' knowledge and skills.
- On top of our already existing work / life balance and flexible working options for our employees, we've recently announced a new interim flexible working model in response to the future of work post the pandemic and will continue assess how we best combine work place flexibility with that of our business needs.
- We're continuing to target female hiring through a variety of initiatives and events. For example, Women in the City in 2019 and Women in Tech in 2020 events leading directly to an increase of female candidate applications and successful hires.
- In 2021 we rolled out a pilot reverse mentoring programme, with the view to make it Branch wide later on in the year. It's turning the traditional mentorship on its head as managers become the mentees, to provide valuable generational and cultural perspective on age, ethnicity/race, sexual orientation and gender.
- The launch of the CityParents service in August 2021 - a freely available branch wide resource that supports and informs staff in a range of topics (including careers, parenting/caring, inclusion, wellbeing and resilience), delivered through talks, articles, blogs and podcasts.
- Last, but not least, our Branch Senior Management team held a training workshop with an external consultant to 'hack' diversity and inclusion at Commerzbank London. More branch wide diversity training will follow.



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