



# Comerica's Environmental, Social and Governance Impact Assessment:

Our Stakeholder Engagement Process  
and Evaluation of ESG Topics



Comerica Bank



*raise your expectations*

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Comerica cautions that the foregoing list of factors is not all-inclusive. For discussion of factors that may cause actual results to differ from expectations, please refer to our filings with the Securities and Exchange Commission. In particular, please refer to “Item 1A. Risk Factors” beginning on page 11 of Comerica's Annual Report on Form 10-K for the year ended December 31, 2017. Forward-looking statements speak only as of the date they are made. Comerica does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. For any forward-looking statements made in this or in any other documents, Comerica claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

## Overview

Comerica recognizes the prosperity and well-being of the people, businesses and communities we serve rely on the natural resources provided by a healthy environment and the social and human resources provided by healthy communities. Understanding and engaging with the broad range of stakeholders is critical to our long-term success as a responsible financial institution. By communicating with and listening to our stakeholders, we can strengthen our business performance and build enduring sustainable value.



The current Global Reporting Initiative (GRI) Reporting Standards (2016) include reporting principles for defining report content and report quality. This document provides the critical information specified by GRI for defining report content, including:

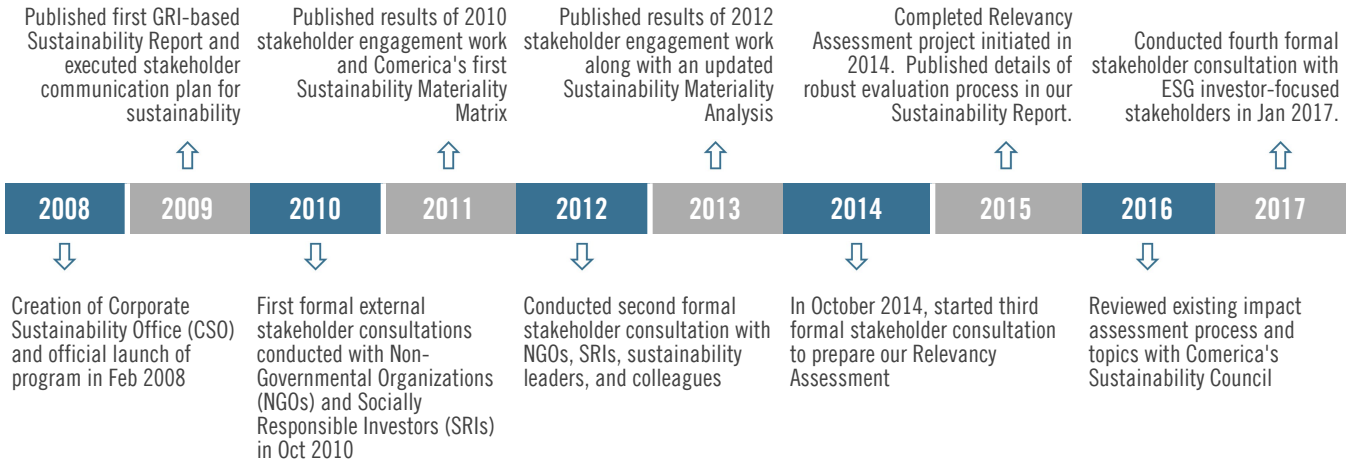
- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

We have reported on the relative importance of significant economic, environmental, social, and governance issues to our business and stakeholders since our inaugural sustainability report in 2008 and began conducting formal stakeholder engagement on sustainability in 2010. In general, we conduct sustainability-related engagement on a biennial basis consistent with our overall sustainability and corporate responsibility reporting cadence.

Beginning in 2014 and extending into 2015, Comerica worked through a robust stakeholder engagement process to evaluate "materiality" as used in the GRI sustainability context (what we refer to as "relevancy," "significance," and "impact"), and to guide preparation of our first GRI-G4 based report published in 2015.

In early 2017, we engaged with a group of external analysts and investors specifically focused on environmental, social, and governance (ESG) topics. This group provided feedback on two key areas: 1) Industry trends and outlooks and 2) Comerica's sustainability strategy, performance and reporting (including our Impact Topics and Relevancy Assessment).


## Comerica's Sustainability Engagement Timeline



In this report and in Comerica's corporate responsibility reports, we use the terms "relevancy," "significance," and "impact" to refer to those topics that reflect the economic, environmental, social, and governance issues most important to Comerica and our stakeholders; what the Global Reporting Initiative (GRI) Sustainability Reporting Standards define as "Material Topics." This is to avoid potential confusion with the terms "material" or "materiality" as defined by or construed in accordance with securities laws or other U.S. legislation, or as used in the context of financial statements and financial reporting.

## Our Stakeholders & How We Engage

As described by GRI, stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the reporting organization's activities, products, or services; or whose actions can reasonably be expected to affect the ability of the organization to implement its strategies or achieve its objectives. Stakeholders can include employees and other workers, shareholders, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others.



*"Systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the organization, as well as increased accountability to a range of stakeholders. Accountability strengthens trust between the organization and its stakeholders. Trust, in turn, strengthens the credibility of the report."*

- GRI Standards

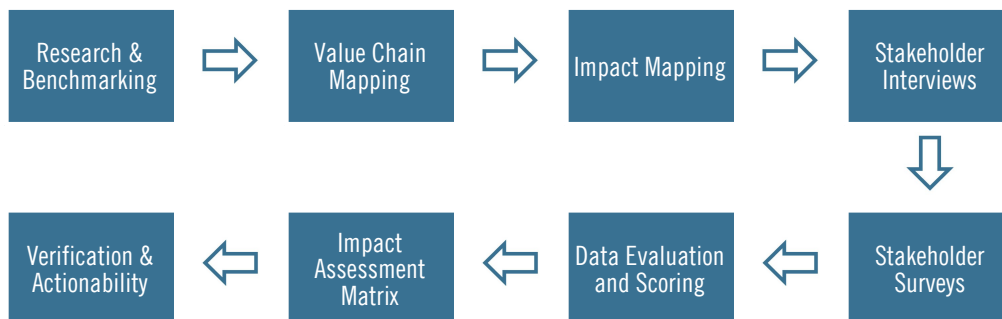
We regularly engage with a broad cross-section of stakeholders. The following table shows the types of engagement methods we use in addition to our biennial sustainability engagements.

<b>Stakeholder Group</b>	<b>How We Engage</b>
<i>Colleagues</i>	Intranet communications, Sustainability Council, Green Office Teams, individual meetings
<i>Customers</i>	Individual meetings, surveys, online communities, customer appreciation events
<i>Environmental, Social and Governance-related Non-Governmental Organizations</i>	Individual meetings, surveys, professional organizations
<i>ESG Rating and Ranking Organizations</i>	Individual meetings, surveys, professional organizations
<i>ESG-Focused Investors/Impact Investors</i>	Individual meetings, investor conferences/presentations, quarterly earnings calls
<i>Industry</i>	Industry organizations, professional organizations
<i>Investors/Analysts</i>	Individual meetings, regular updates, investor conferences/presentations, quarterly earnings calls
<i>Media</i>	Individual meetings, regular outreach via news releases, etc.
<i>Peers</i>	Industry organizations, professional organizations, individual meetings
<i>Suppliers</i>	Regular reviews, surveys, individual meetings

## Impact Assessment Process

To understand what our impacts are and where they occur, we undertook an Impact Assessment process, as shown in the graphic below. This began with research and limited benchmarking of other financial services companies to identify current approaches and potential best practices. Business leaders from across the company contributed to a value chain map charting our organizational structure and stakeholder interactions. To match significant topics with their impact on the value chain, an impact map was developed. We then conducted extensive one-on-one stakeholder interviews to identify topics of high importance to those stakeholders. The Impact Topics were identified as those topics that were mentioned at a higher frequency during our stakeholder discussions.

To gauge the relative importance of the Impact Topics and to rank relative risks and opportunities, we also conducted a stakeholder survey. To produce our Impact Assessment Matrix we evaluated and scored the interview and survey data gathered along with relevant internal and external policies and priority statements. Finally, senior business leaders from across our organization reviewed the topics and verified their actionability, culminating in Comerica’s Impact Matrix.



Stakeholder interviews conducted as part of this process provided feedback that has been used to focus and prioritize our report content, as well as to influence future sustainability priorities. The following are indicated to be key topics of interest to our stakeholders:

<b>Stakeholder Group</b>	<b>Example Topics of Interest to Stakeholder</b>
<i>Colleagues</i>	Strategy, communications, performance vs. goals, innovation, economic environment, serving customer needs
<i>Customers</i>	Financial education & knowledge sharing on broad variety of topics, partnering with community organizations, cybersecurity
<i>ESG NGOs</i>	Improved banking access, financial education, customer engagement strategies on ESG issues, transparency in policies/communications
<i>ESG Rating &amp; Ranking Organizations</i>	Engaging the value chain, moving from disclosure to action, focus on diversity, climate change, stranded assets, impact investing, responsible lending, investor communication on ESG
<i>Impact Investors</i>	Transparency, stranded assets, climate change issues
<i>Industry</i>	Green lending, aligning financial services to client aspirations, natural capital, supply chain
<i>Investors/Analysts</i>	Financial performance, long-term strategies, transparency, cybersecurity
<i>Media</i>	Supply chain, financial performance, climate change, ESG goals
<i>Peers</i>	Demand for ESG transparency, common approaches to industry ESG issues, impact of regulations, innovation, supply chain
<i>Suppliers</i>	Technology and innovation, common ground on sustainability, cost/beyond basic metrics, partnerships, efficiency

## Impact Topics and Boundaries

During our value chain and impact mapping process, we used initial research and stakeholder interviews to determine topic boundaries for each of our significant sustainability topics. These Impact Topics were matched with the applicable GRI Topics. Stakeholder feedback helped establish the boundaries of Comerica's Impact Topics and the associated GRI Topics. The resulting process shaped our reporting content and addresses the issues of relevancy, stakeholder inclusiveness, sustainability context and completeness under GRI Standards.

The following tables depict the boundaries for the Impact Topics, with the relevant boundaries shaded in the corresponding color. Topics are grouped into categories by our associated GRI Standards-based reporting categories. In light of increasing investor interest, we've added a number of impact topics under the Investor category.

### Impact Topic Boundaries

<i>Comerica's Impact Topics</i>	<i>Relevant GRI Topic(s)</i>	<i>Comerica</i>	<i>Communities</i>	<i>Customers</i>	<i>Investors</i>	<i>Regulators</i>	<i>Suppliers</i>
<i>Economic Impacts</i>							
Financial Performance	Economic Performance	•	•	•	•	•	•
Economic Environment	Economic Performance	•	•	•	•	•	•
Indirect Economic Impacts	Indirect Economic Impacts	•	•	•			•
<i>Supporting Our Customers</i>							
Customer Privacy & Protection	Customer Privacy	•		•	•	•	•
Cybersecurity		•		•	•	•	•
Innovation & Technology	Local Communities Customer Privacy	•	•	•			•
Customer Education & Financial Literacy	Local Communities	•	•	•	•	•	
Serving the Underbanked	Indirect Economic Impacts	•	•	•	•	•	

### Impact Topic Boundaries

Comerica's Impact Topics	Relevant GRI Topic(s)	Comerica	Communities	Customers	Investors	Regulators	Suppliers
<i>Responsible Business Practices</i>							
Transparency	Environmental and Socioeconomic Compliance	•		•	•		
Regulatory Risk/Compliance	Environmental and Socioeconomic Compliance	•			•	•	
Reputation Risk	Environmental and Socioeconomic Compliance, Ethics and Integrity	•	•	•	•		•
Credit Risk	Economic Performance	•		•	•	•	
Environmental Risk	Environmental Compliance	•	•	•	•	•	
Economic Environment	Economic Performance	•	•	•	•	•	•
Anti-corruption, Ethics & Countering Bribery	Anti-corruption Anti-competitive behavior	•			•	•	
Responsible Marketing & Sales	Anti-competitive behavior Marketing and Labeling	•	•	•	•	•	
Public Policy & Government Relations	Public Policy	•			•	•	
<i>Supporting Our Colleagues</i>							
Talent Attraction, Retention & Development	Employment, Training and Education, Labor/ Management Relations	•		•			
Employee Engagement	Employment	•	•				
<i>Prioritizing Diversity &amp; Inclusion</i>							
Diversity & Inclusion	Diversity and Equal Opportunity	•		•	•		•
Board Diversity		•			•		
<i>Managing Our Environmental Impacts</i>							
Climate Change, Energy, GHG Emissions	Energy	•	•	•	•		•
	Emissions	•	•	•	•		•
Paper	Materials	•		•			•
Waste	Effluents and Waste	•		•			•
Water Stewardship	Water	•		•			•
Green Lending	Indirect Economic Impacts	•		•	•		
Environmental Risk	Environmental Compliance	•	•	•			
<i>Supporting Our Communities</i>							
Community Reinvestment & Development	Local Communities	•	•	•	•	•	
Volunteerism & Philanthropy	Indirect Economic Impacts	•	•			•	

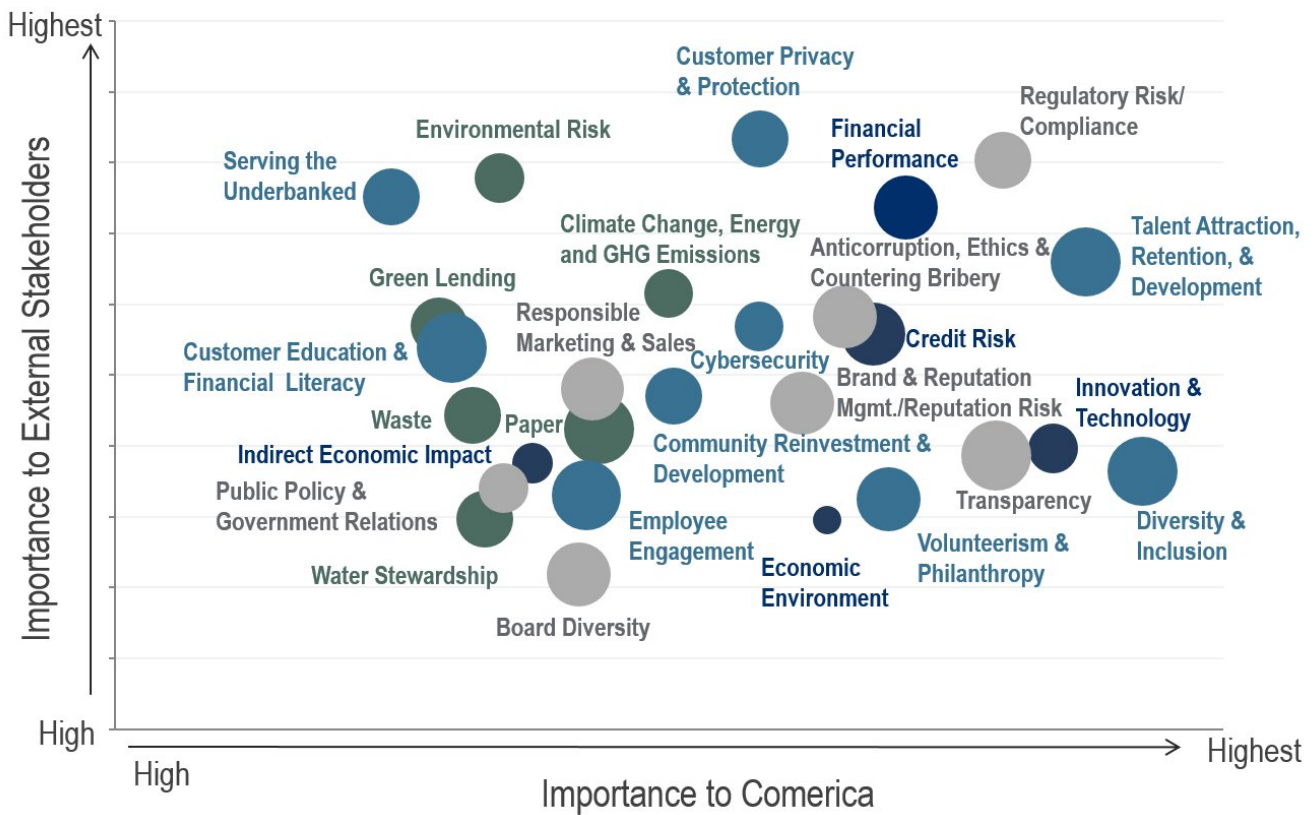
# Our Impact Matrix

Our Impact Matrix, first published in our 2014 Comerica Sustainability Report, reflects our understanding of the relative significance of sustainability issues that most affect our business and our stakeholders. The Impact Matrix also provides insight on those topics over which we can have the greatest influence.

In 2016, we reviewed our Impact Topics and their relative importance with members of Comerica's Sustainability Council, the senior business leaders across our organization who help shape the direction of our program. The Sustainability Council generally agreed that the Impact Topics remained relevant. With respect to the relative levels of importance, a number of council members indicated the growing importance of Cybersecurity, Employee Engagement and Financial Performance. However, given the limited scope of our internal review of Impact Topics, we didn't update the Impact Matrix at that time, but continue to monitor and evaluate our Impact Topics.

With respect to external stakeholders, we believe our Impact Topics and Impact Matrix remain generally consistent with what we previously reported in 2014 and 2015, based on ongoing stakeholder interactions. As with our internal stakeholders, we recognize that some minor shifts in priorities may have occurred and will continue to occur.

## Comerica Impact Matrix



Note: The Impact Matrix only includes those topics that rose to at least a high level of importance with Comerica and our stakeholders.

Impact Topic Categories		Opportunity for Action (bubble size)	
<span style="color: grey;">●</span>	Governance	<span style="font-size: 2em;">○</span>	Highly Actionable
<span style="color: darkblue;">●</span>	Economic	<span style="font-size: 1.5em;">○</span>	Moderately Actionable
<span style="color: lightblue;">●</span>	Social	<span style="font-size: 1em;">○</span>	Low Actionability
<span style="color: green;">●</span>	Environmental		

The Impact Matrix continues to act as a guide both in communicating our progress on these topics, and in further aligning our corporate priorities with the sustainability issues most relevant to our business.



# Updates

## 2017 Stakeholder Engagement Activity

In early 2017, we convened a meeting of third-party environmental, social, and governance (ESG) analysts, socially responsible investment (SRI) representatives and industry thought leaders at the New York Stock Exchange to share their expert insights. The goal of this engagement was to:

- Gain insights on how investors understand and use sustainability and ESG information,
- Validate Comerica's impact matrix and impact topics,
- Refine Comerica's future sustainability strategy and communications, and
- Develop and enhance external relationships and open doors to further stakeholder engagement and thought leadership.

This group provided specific feedback on two key areas: 1) Industry trends and outlooks, and 2) Comerica's sustainability strategy, performance and reporting (including our Impact Topics and Relevancy Assessment). Findings from our engagement are summarized below.

Industry Trends and Outlook	Comerica's Sustainability Strategy, Performance and Reporting
<i>Key Takeaways</i>	
Stakeholders want comparable ESG data and communications. Sustainability language is inconsistent with business terminology and between companies. This alienates key audiences and creates barriers to mainstream acceptance.	Stakeholders look for greater clarity on what is most important to Comerica and how a strong sustainability strategy connects to and drives business performance. While Comerica's impact assessment is substantial, a streamlined refresh can help to elevate strategy and future reporting.
Stakeholders see stronger material alignment in sustainability reporting, but a disconnect between sustainability strategy and business performance remains. Further alignment and integration of sustainability and business performance better demonstrates overall value to key audiences.	Comerica is a leader in disclosure, and stakeholders are impressed with the breadth and depth of content provided. There is an opportunity to streamline and reframe sustainability communications to target key audiences and align with financial disclosures.
ESG performance communications should be more than environmental sustainability. Social and governance topics are less easily quantifiable and often not afforded the same platform as environmental topics, regardless of relative significance.	Stakeholders prefer a more concise, streamlined report that is easy to navigate and that can be quickly benchmarked against peers.
<i>Bottom Line</i>	
Stakeholders see improvements in ESG data reporting and sustainability strategy across the board, but acknowledge there are gaps between the current ESG information available and what traditional investors seek.	Comerica has made strong headway in its sustainability performance and reporting, and is recognized by stakeholders as a leader among its peers. There is an opportunity to build on progress to date by streamlining materiality, integrating financial disclosures and targeting key audiences.
Future engagement will be conducted with investors to better understand their corporate responsibility-related priorities and information needs	Enhanced our approach to communications on sustainability-related issues and plan further enhancements to complement our 2018 Corporate Responsibility Report (to be released in 2019).

Industry Trends and Outlook	Comerica's Sustainability Strategy, Performance and Reporting
<i>How We Have Responded</i>	
Comerica was one of the first financial services companies in the United States to prepare a GRI Standards-based corporate responsibility report in 2017, demonstrating our commitment to transparent reporting using a globally recognized reporting standard.	We changed the name of our report from "Sustainability" to "Corporate Responsibility" to better reflect the depth of content. Our 2016 report (published in 2017) also better targeted specific audiences by grouping impact topics into seven key pillars. Finally, we updated our website to use the Corporate Responsibility (CR) term for our grouping of sustainability, diversity, volunteerism, and other CR elements.
This 2017 Corporate Responsibility Progress Report includes both environmental and select social updates.	Our 2018 stakeholder engagement work will include efforts to verify and streamline the number of impact topics.
Future engagement will be conducted with investors to better understand their corporate responsibility-related priorities and information needs	Enhanced our approach to communications on sustainability-related issues and plan further enhancements to complement our 2018 Corporate Responsibility Report (to be released in 2019).



*Comerica sustainability staff and some of the stakeholders participating in our 2017 engagement at the New York Stock Exchange*

Given the importance of stakeholder engagement in the context of the GRI Standards, as well as other reporting frameworks such as the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (SDGs), Comerica expects to continue to regularly engage with stakeholders and update our evaluation of ESG issues.