

ESG IMPACT ASSESSMENT

Comerica's Stakeholder Engagement Process and Evaluation of Environmental, Social and Governance Issues

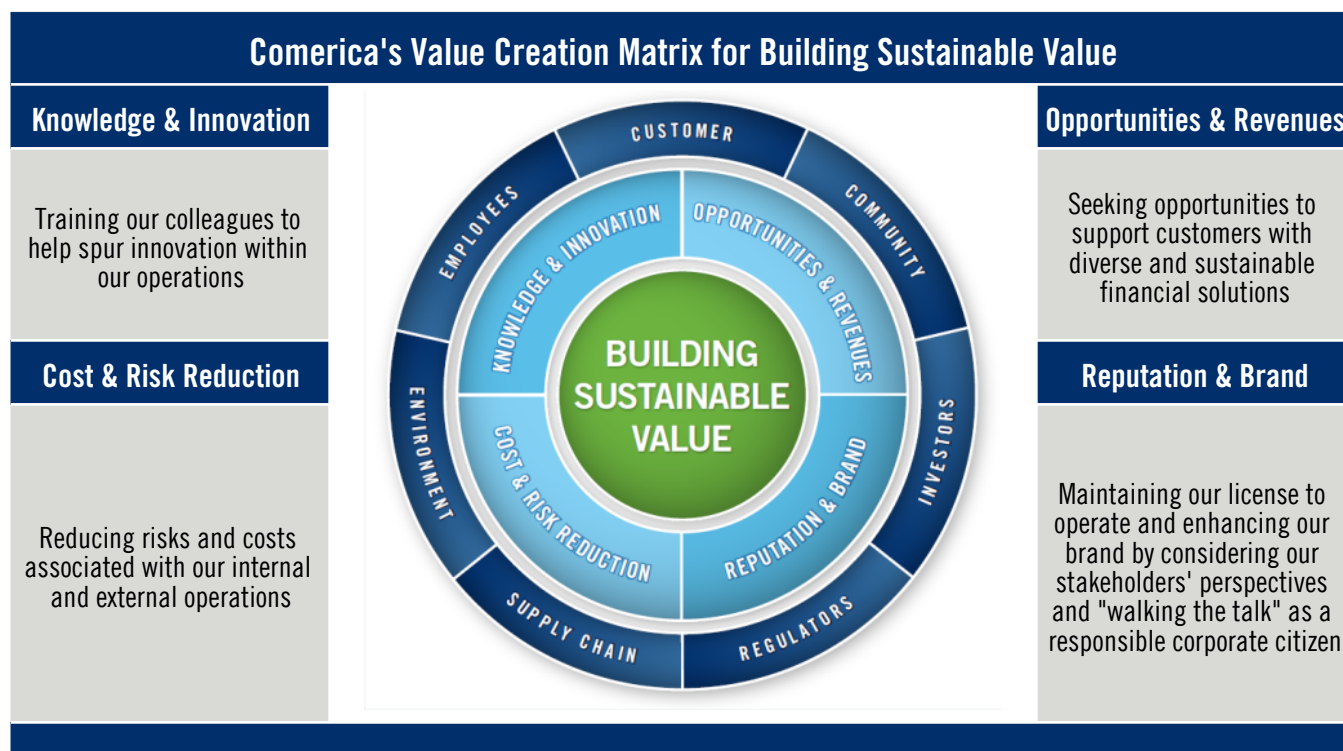


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Overview

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 a 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 expect to strengthen our business performance and build enduring sustainable value.

This report details how and why we engage with stakeholders, provides example stakeholder issues, and discusses our impact assessment process in detail. This includes our impact topics and their associated boundaries, Comerica's impact matrix and the relevant GRI Standards information supporting our process.



Stakeholder engagement is also a foundational element of the GRI Standards that we report and is represented by the outer ring of our Value Creation matrix. The current Global Reporting Initiative (GRI) Reporting Standards 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



"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."

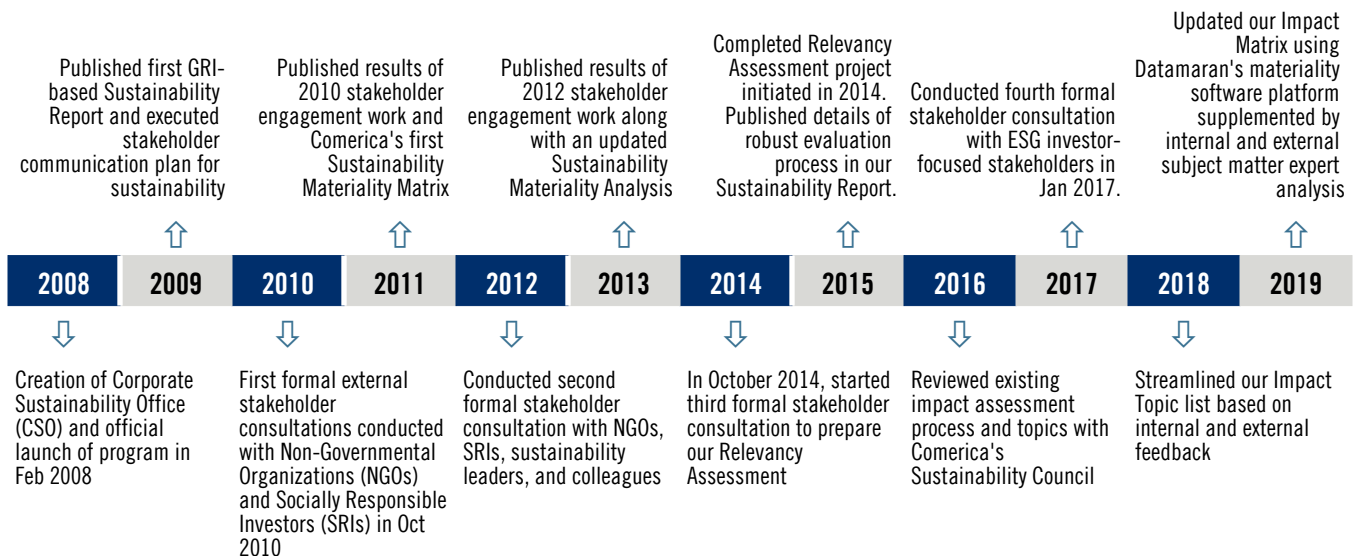
-GRI Standards

We 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). Beginning in 2018 and 2019, we updated our Impact Matrix with a streamlined topic list based on internal and external stakeholders supplemented by Datamaran's materiality software platform.

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.

Since 2008, Comerica has formally engaged with stakeholders on ESG issues, typically on a biennial basis. Our most recent engagement, was initiated in 2018 and extended into 2019. Our ESG-based stakeholder engagement results are shared with the Comerica Incorporated Board via the Enterprise Risk Committee, typically on an annual basis. Given the broad nature of these topics, Comerica's leadership reviews the risks, opportunities, and impacts of the various topics on an ongoing basis.

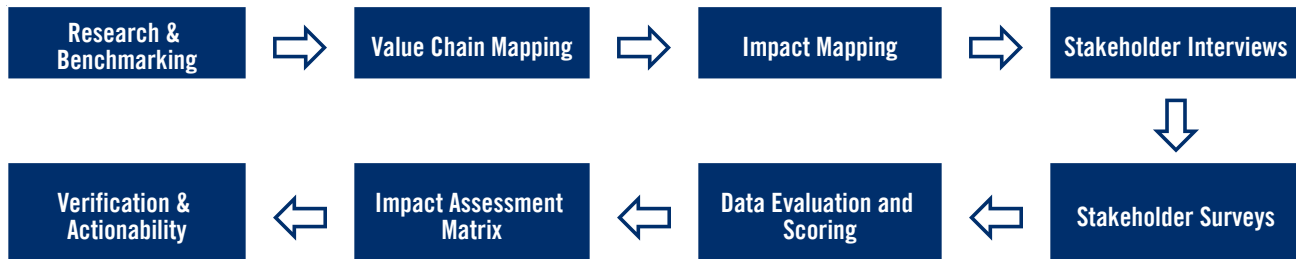
We regularly engage with a broad cross-section of stakeholders. The following table shows the types of engagement methods we use in addition to our sustainability engagements.

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

As an example of ongoing stakeholder engagement, our Investor Relations team conducts shareholder outreach as an integral part of Comerica's business practices as shareholders provide insight on a variety of topics, including operations, governance and compensation. In addition to discussing industry matters and Comerica's performance, we receive feedback frequently from our investors at investor conferences, in which we participate at least quarterly, and during periodic office visits to investors' offices or when investors visit our Dallas headquarters. Comerica regularly solicits input from shareholders specifically aimed at supporting an ongoing dialogue to address governance, compensation and other topics of interest. During 2019, as is our customary practice, we reached out to our top 25 shareholders, who collectively hold approximately 55% of our shares, as well as a number of additional shareholders who expressed an interest in providing feedback or who had provided feedback in the past.

ESG Impact Assessment Process

To define those environmental, social and governance topics most relevant to our business, Comerica uses what we've termed an ESG Impact Assessment process, which has been refined and updated over time and is represented by the following graphic.



Timeframe	Actions	Outcomes
2014-2015	Robust Stakeholder Engagement process defines relevant ESG topics and defines topic boundaries.	Produced Comerica's first Impact Matrix
2016	Reviewed Impact Topics with select internal leaders	Published Comerica's ESG Impact Assessment Report
2017	Reviewed Impact Topics with select external experts	Updated Comerica's ESG Impact Assessment Report
2018-2019	Benchmarked ESG reporting and topics. Conducted advanced data analytics, internal surveys, and internal and external interviews on Impact Topics.	Streamlined Comerica's Impact Topics and updated Comerica's Impact Matrix. Updated this ESG Impact Assessment Report published in 2020.

Collectively, our ESG Impact Assessment process shapes our reporting content and addresses the issues of relevancy, stakeholder inclusiveness, sustainability context and completeness under GRI Standards. 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:

Stakeholder Group	Example Topics of Interest to Stakeholder
Colleagues	Strategy, communications, performance vs. goals, innovation, serving customer needs
Customers	Financial education & knowledge sharing on broad variety of topics, partnering with community organizations, cybersecurity
ESG NGOs	Improved banking access, financial education, customer engagement strategies on ESG issues, transparency in policies/communications
ESG Rating & Ranking Organizations	Engaging the value chain, moving from disclosure to action, focus on diversity, climate change, stranded assets, impact investing, responsible lending, investor communication on ESG, board diversity
Impact Investors	Transparency, stranded assets, climate change issues
Industry	Green lending, aligning financial services to client aspirations, natural capital, supply chain
Investors/Analysts	Financial performance, long-term strategies, transparency, cybersecurity
Media	Supply chain, financial performance, climate change, ESG goals

Stakeholder Group	Example Topics of Interest to Stakeholder
<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. Based on benchmarking and stakeholder feedback, we streamlined our Impact Topics from 27 to 18 topics (for more information, please see the [Updates](#) section of this report):

Impact Topic	Description
Anti-corruption, Ethics & Countering Bribery	How we work to be an ethical corporation, work against corruption and counter bribery
Board Diversity	The diversity of our Board of Directors, including ethnicity, gender, and areas of experience
Business Risk Management	How we manage the risks associated with our business, including issues such as regulatory compliance, credit risks, environmental risks, responsible marketing, and disaster management
Climate Change Impacts	How we are impacted by the physical and business transition risks and opportunities associated with a changing climate
Community Investment & Development	How we support investment and development at the community level and the associated economic effects from our activities
Diversity & Inclusion	The importance of diversity and inclusion for our workforce, our suppliers, and the customers and communities we serve
Employee Engagement	How we work to engage our employees through a variety of teams, activities and actions
Energy & Emissions	The impact we have on the environment through our consumption of energy as well as greenhouse gas emissions associated with our operations and purchases
Environmental Resource Management	How we manage our use of resources including waste and materials such as paper
ESG-Related Lending & Investment	Our business activities related to environmental, social, and governance
Financial Inclusion & Financial Literacy	Supporting education on financial matters and promoting accessibility of financial services
Innovation & Technology	How we advance innovation and deploy technology
Privacy & Information Protection	The integrity, availability, and protection of our company's and our customers' information

<i>Impact Topic</i>	<i>Description</i>
Public Policy & Government Relations	How we engage with various levels of government on public policy issues
Reputation	The collective perception of our company based on our conduct and business practices
Talent Attraction, Development & Retention	How we work to attract, train, compensate, and retain our employees
Transparency	Providing information to stakeholders regarding our financial and non-financial performance
Volunteerism & Philanthropy	Our engagement with and support of our communities and non-profit organizations

The following tables depict the boundaries for the Impact Topics, with the topics grouped into categories by our associated GRI Standards-based reporting categories. In light of increasing investor interest, we added additional impact topics under the "Investors" 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>Customers</i>							
Privacy & Information Protection	Customer Privacy	☑	☑	☑	☑	☑	☑
Innovation & Technology	Local Communities Customer Privacy	☑	☑	☑	☑	☑	☑
ESG-Related Lending & Investment	Indirect Economic Impacts	☑	☑	☑	☑		
<i>Responsible Business</i>							
Anti-corruption, Ethics & Countering Bribery	Anti-corruption Anti-competitive behavior	☑			☑	☑	
Reputation Risk	Environmental and Socioeconomic Compliance, Ethics and Integrity	☑	☑	☑	☑		☑
Business Risk Management	Environmental and Socioeconomic Compliance, Economic Performance, Environmental Compliance	☑	☑	☑	☑	☑	☑
Transparency	Environmental and Socioeconomic Compliance	☑	☑	☑	☑	☑	
Public Policy & Government Relations	Public Policy	☑			☑	☑	
<i>Colleagues</i>							

<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>
Talent Attraction, Development & Retention	Employment, Training and Education, Labor/ Management Relations	☑		☑			
Employee Engagement	Employment	☑	☑				
<i>Diversity & Inclusion</i>							
Diversity & Inclusion	Diversity and Equal Opportunity	☑	☑	☑	☑	☑	☑
Board Diversity		☑			☑		
<i>Environment</i>							
Climate Change Impacts	Energy; Emissions	☑	☑	☑	☑		☑
Energy & Emissions	Energy; Emissions	☑	☑	☑	☑		☑
Environmental Resource Management	Materials; Effluents and Waste	☑		☑			☑
<i>Community</i>							
Financial Inclusion & Financial Literacy	Local Communities Indirect Economic Impacts	☑	☑	☑	☑	☑	
Community Investment & Development	Local Communities Indirect Economic Impacts	☑	☑	☑	☑	☑	
Volunteerism & Philanthropy	Local Communities Indirect Economic Impacts	☑	☑		☑	☑	

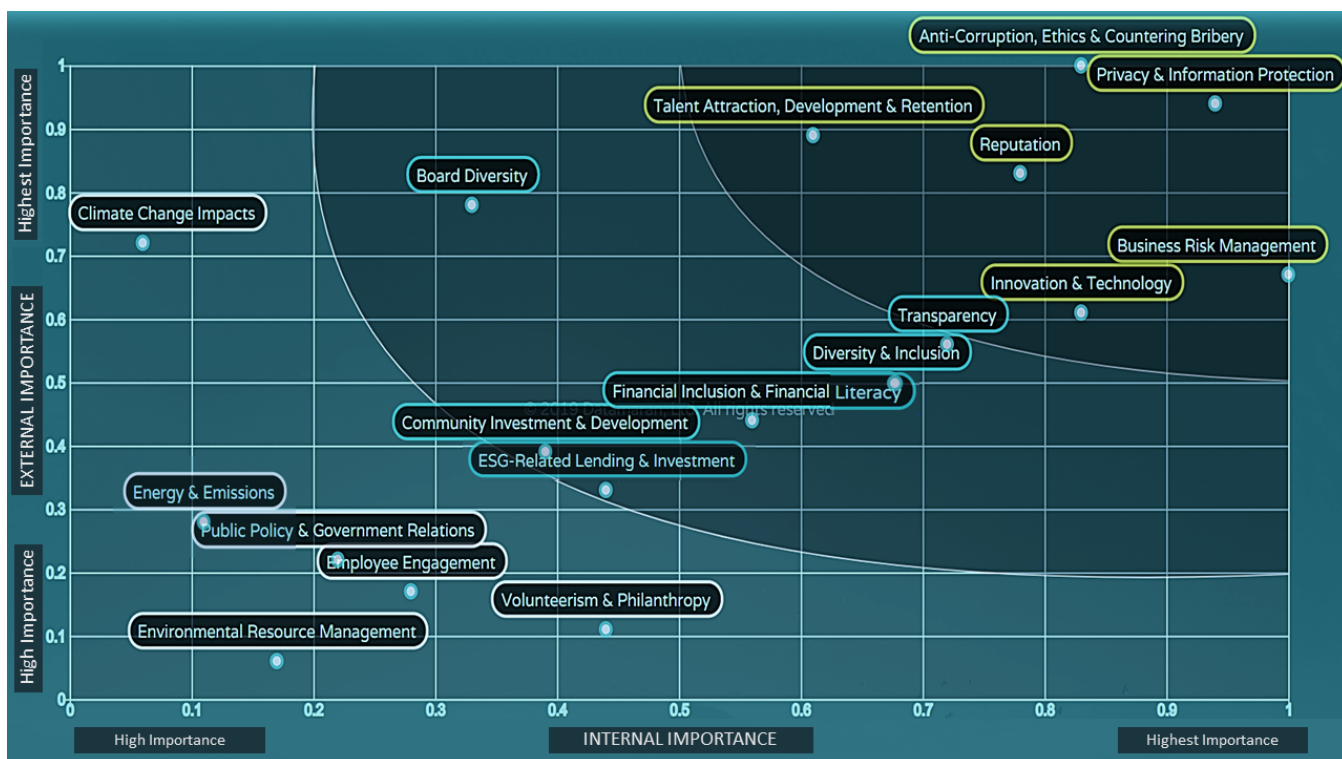
Our Impact Matrix

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. In 2018 and 2019, our Impact Matrix was updated with our streamlined Impact Topic list. Our process for constructing the revised matrix utilized the following:

- Foundation of Comerica's previous impact assessment work
- Internal survey of selected Comerica business unit leaders
- Internal interviews of selected Comerica executive leaders
- External interviews of selected sustainability subject matter experts
- Use of Datamaran's materiality software platform which employs artificial intelligence and natural language processing combined with advanced data analytics
- Review and sensitivity analysis using internal and external subject matter experts

Additional details on our most recent updates are provided in the [Updates Section](#) of this report.

Comerica Impact Matrix



The matrix includes the 18 impact topics identified as most important to internal and external stakeholders based on current and previous stakeholder engagement work. Topics are sorted on the vertical axis by external stakeholders' level of importance and on the horizontal axis by Comerica's level of importance. Topic groupings in the upper right portion of the matrix represent those topics of highest importance to both Comerica and our stakeholders. The Impact Matrix guides both in communicating our progress on these topics, and in further aligning our corporate priorities with the ESG issues most relevant to our business.

Updates

This section summarizes some key activities and associated updates related to our ESG Impact Assessment process. Updates include activities from 2017, 2018 and 2019.

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
Key Takeaways	
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.
Bottom Line	
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 planned enhancements to complement our 2018 Corporate Responsibility Report released in 2019.



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

How We Responded to the 2019 Stakeholder Feedback

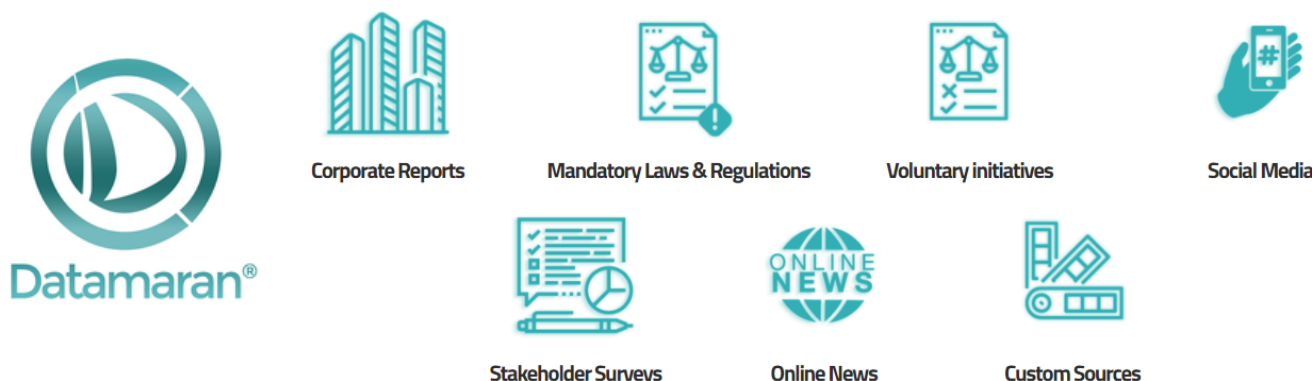
Comerica was one of the first financial services companies in the United States to prepare a GRI Standards-based corporate responsibility report in 2017, demonstrating our commitment to transparent reporting using a globally recognized reporting standard.	We changed the name of our report from "Sustainability" 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.
Our 2017 Corporate Responsibility Progress Report included both environmental and select social updates.	Our 2018 stakeholder engagement work included 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).

2018 and 2019 Streamlined Impact Topics and Data Driven Impact Assessment

Beginning in 2018, we worked with our stakeholders and technical experts to review and streamline our existing list of Impact Topics. Where possible, similar topics like paper, waste and water stewardship were combined based on similar management approaches and stakeholder priorities. Other topics were renamed, like Reputation Risk renamed to Reputation to reflect both positive and negative elements of the topic, and Green Lending renamed to ESG-Related Lending & Investment to better capture the broadening nature of this topic. The economic topics of Financial Performance and Economic Environment were removed from our list. Financial Performance, while critically important to our company, is not typically addressed within an ESG framework and the overall Economic Environment, while certainly impactful, is not something Comerica has any control over or material degree of influence upon. The resulting Impact Topic list was reduced from 27 topics to 18, as presented in the [Impact Topics and Boundaries](#) section of this report.

A potential weakness in the stakeholder engagement process used to assess the relative importance of ESG topics is the limitations on the number of stakeholders providing input and their associated areas of expertise. Therefore, topic weightings can be misaligned or important topics may be omitted from consideration depending on the specific stakeholders selected to provide feedback. To address this potential issue, Comerica partnered with Datamaran to use their emerging risk management software to provide an evidence-based approach to our ESG Impact Assessment Process, allowing for more dynamic monitoring of the evolving ESG landscape.

Through applying Datamaran's automated sifting and analysis of millions of data points from publicly available sources, including, corporate reports, mandatory regulations and voluntary initiatives, as well as news and social media, we vetted our list of Impact Topics against peers and industry leaders.



Our Impact Matrix was refined by utilizing inputs from Comerica's peer banks, all U.S. banks, banks in Mexico and Canada, global banks, the 50 largest financial services companies globally, and the leaders from the Dow Jones Sustainability Index. We also included data from U.S. and global regulations and voluntary initiatives, both generally and related specifically to our industry sector.

Once the ground work was done, we validated these findings by getting our key internal and external subject matter expert's feedback on our process, Impact Topics and the associated Impact Matrix. Slight adjustments were made to our Impact Matrix to reflect the feedback and effectively combine a technology-supported solution with human validation.

By using this data-driven approach to our impact analysis, we have incorporated a wider range of data and stakeholders than was previously possible, giving us a better evidence-based perspective into regulatory, strategic and reputational risks and opportunities.