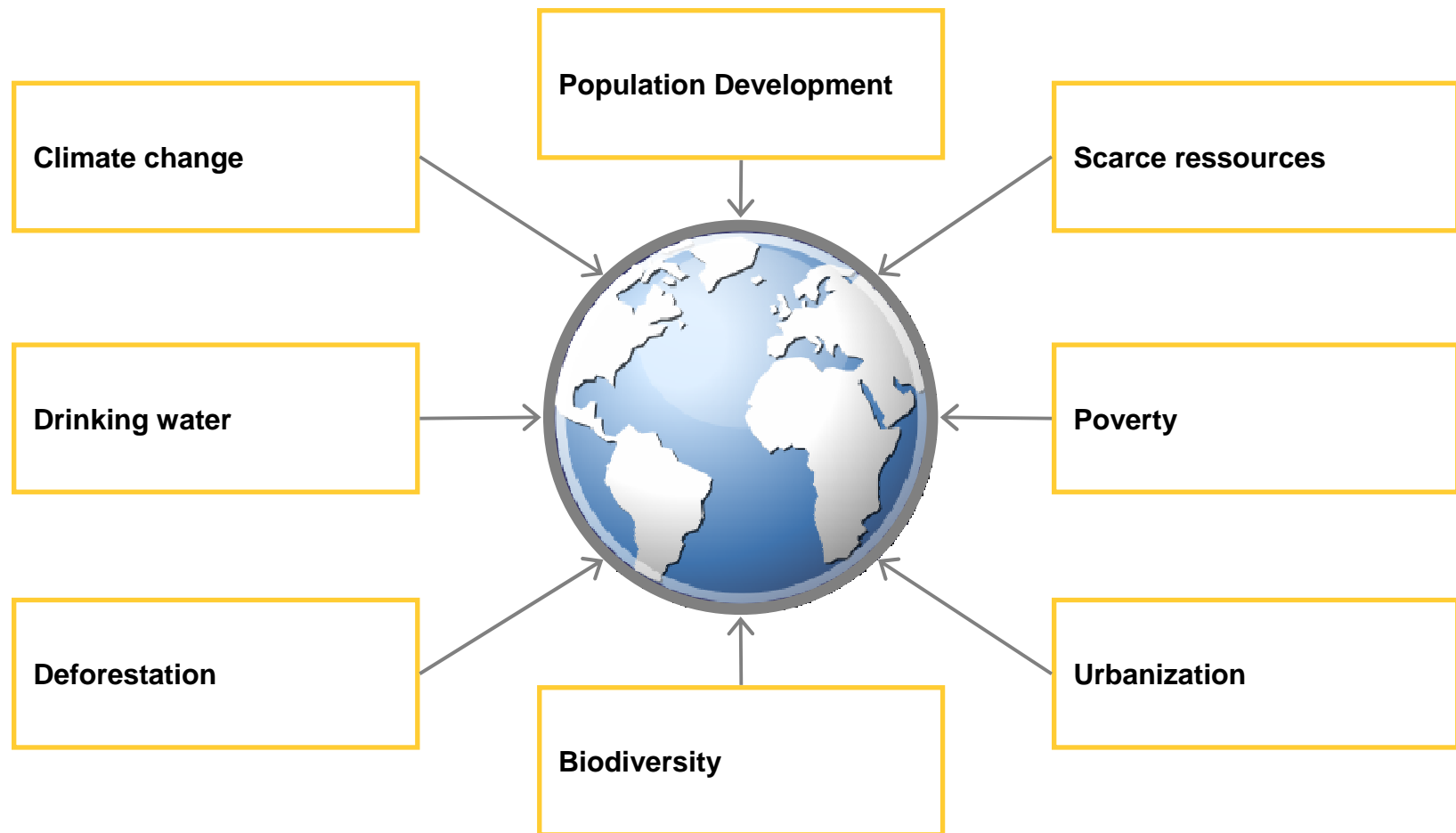


# Corporate Responsibility at Commerzbank

## Global challenges of the 21st century – politics, society and economy need to act

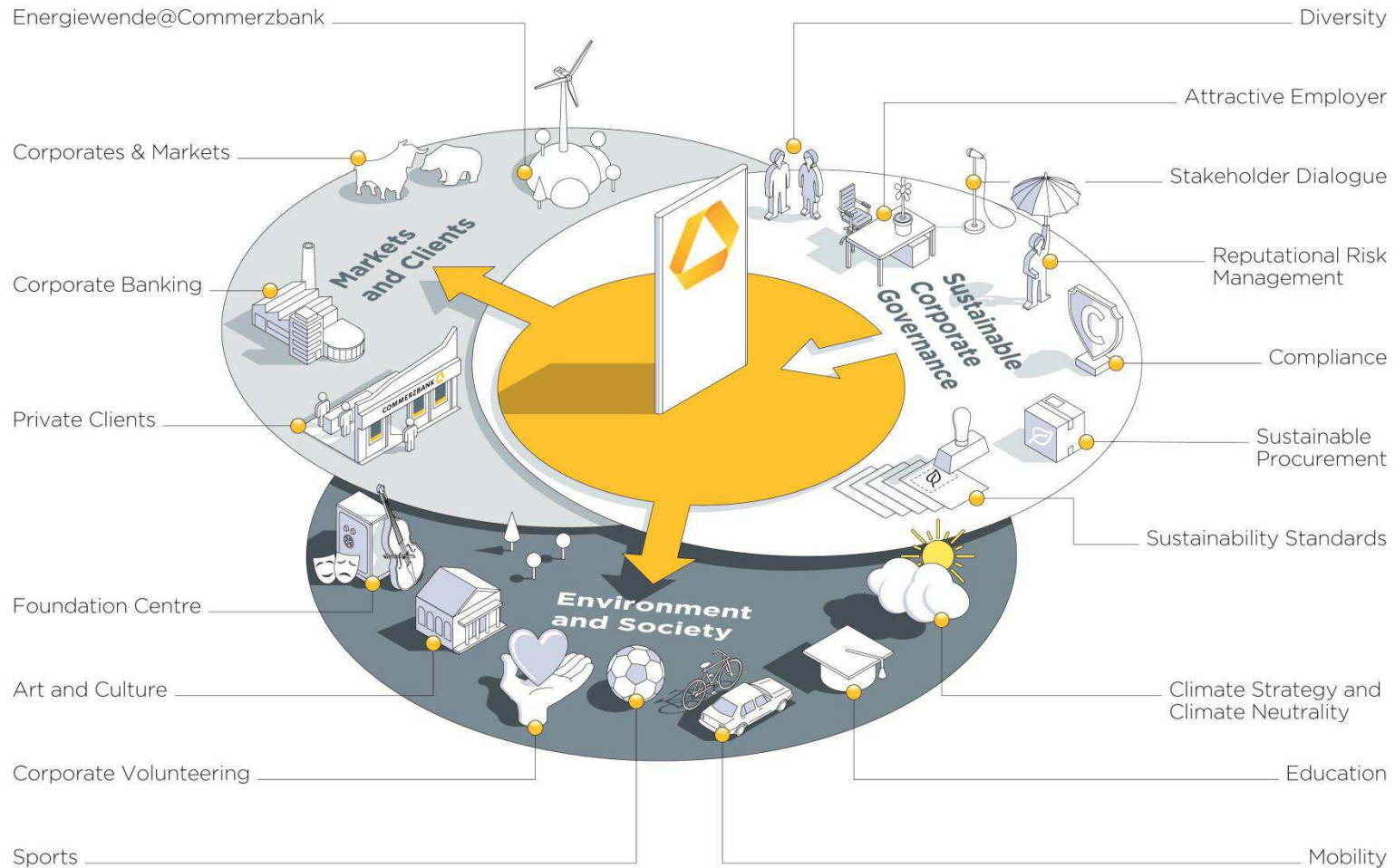


# UN Sustainable Development Goals – the agenda for a worldwide transformation to sustainable development

- Released in September 2015 in New York
- 17 main goals with 169 sub-goals to stimulate action for People, Planet, Prosperity, Peace, Partnership



# Commerzbank's approach to manage Corporate Responsibility – our three fields of action



## Three fields of action at a glance

### Sustainable Corporate Governance



- › Framework for our business activities
- › Stakeholder dialogue
- › Responsible employer

### Markets & Clients



- › New markets in the environment and energy sectors
- › Sustainable products
- › Client satisfaction

### Environment & Society



- › Operational ecology
- › Environmental protection
- › Climate strategy
- › Mobility
- › Corporate Volunteering
- › Foundations

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## Internal and external governance frameworks (selection)

### Commerzbank frameworks

#### Compliance

- › Corporate Values (ComWerte)
- › Code of Conduct
- › Whistle blowing platform „Business Keeper Monitoring System“
- › Dialogue with interest groups (Conflict-of-Interest-Tool)

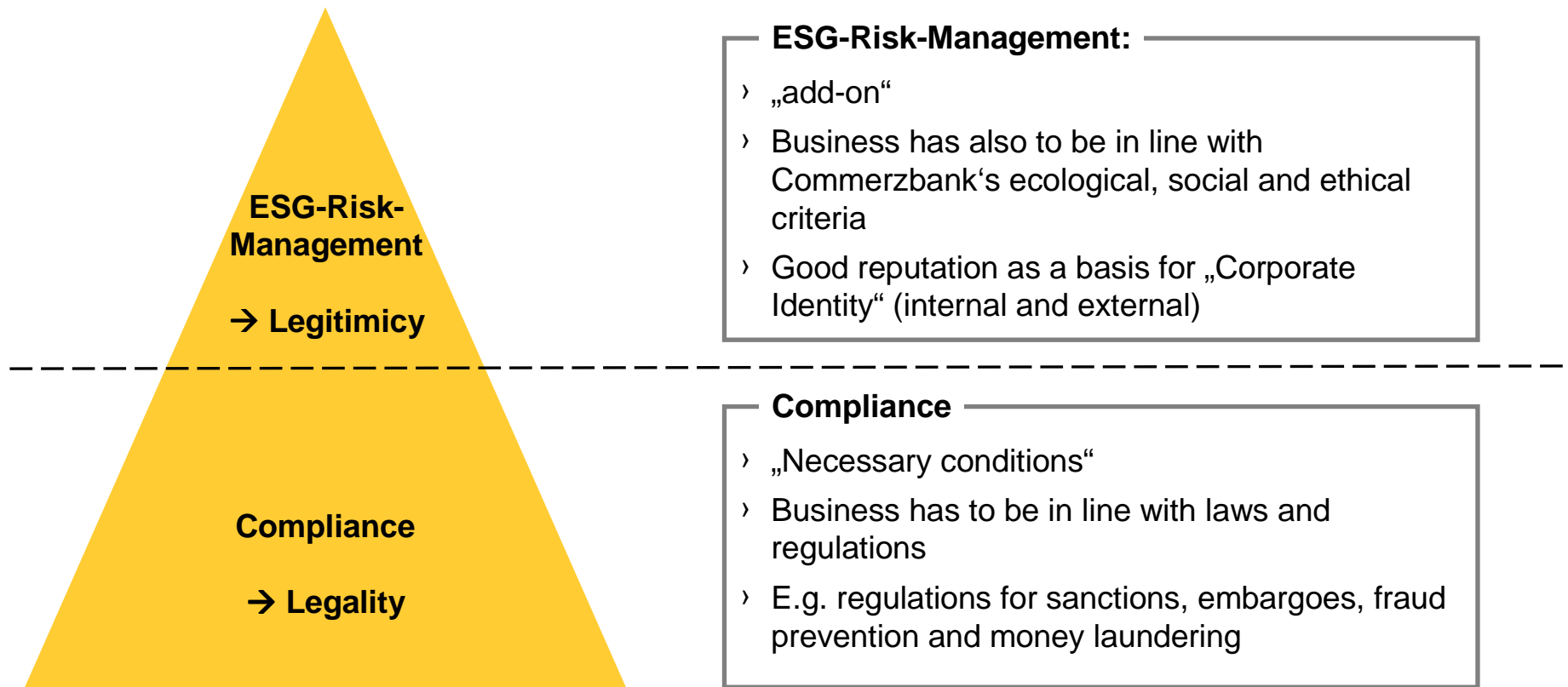
#### Corporate Responsibility

- › CR Guidelines
- › Positions and directives of the ESG Risk Management
- › Environmental Policies
- › Sustainable Procurement Policy

### External frameworks

- › UN Global Compact
  - › Human Rights
  - › Labour
  - › Environment
  - › Anti-Corruption
- › UNEP FI (Financial Institutions)
- › Corporate Governance Kodex (Germany)
- › The Sustainability Code (Germany)

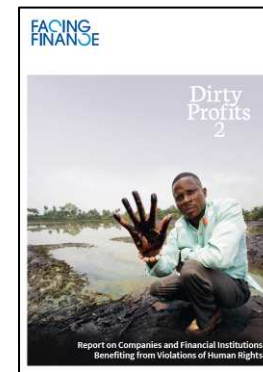
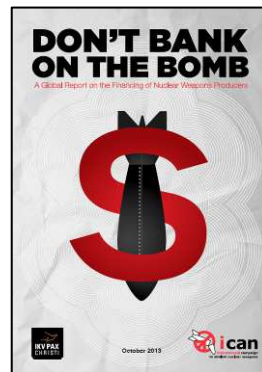
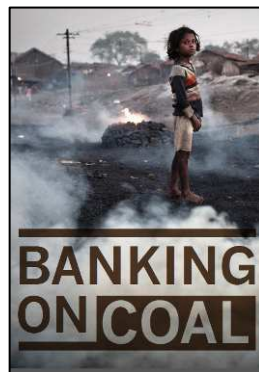
# Environmental-Social-Governance (ESG)-Risk-Management





## Why Do Banks Need an ESG-Risk Management?

- › In the past mainly controversial companies or operators of controversial projects had been criticised - nowadays also financial institutions are under criticism
- › Non-governmental organizations (NGOs) argue:
  - “Without loans and investors no nuclear power plant, no dam and no pipeline will be built. No industry sector has a such a high impact on the environment and on human rights as the financial sector.”
- › This trend was further reinforced by general criticism on financial institutions in the lights of the financial and economic crisis



## ESG-Risk Management: Overview

### Tasks of the ESG-Risk Management

- › Identifies ecological, social or ethical risks and integrates them in Commerzbank's overall risk strategy and management
- › Defines requirements for the limits of our business activities (in cooperation with Compliance)
- › Intensive assessment of financings, investment products or client relationships

### Positions and directives

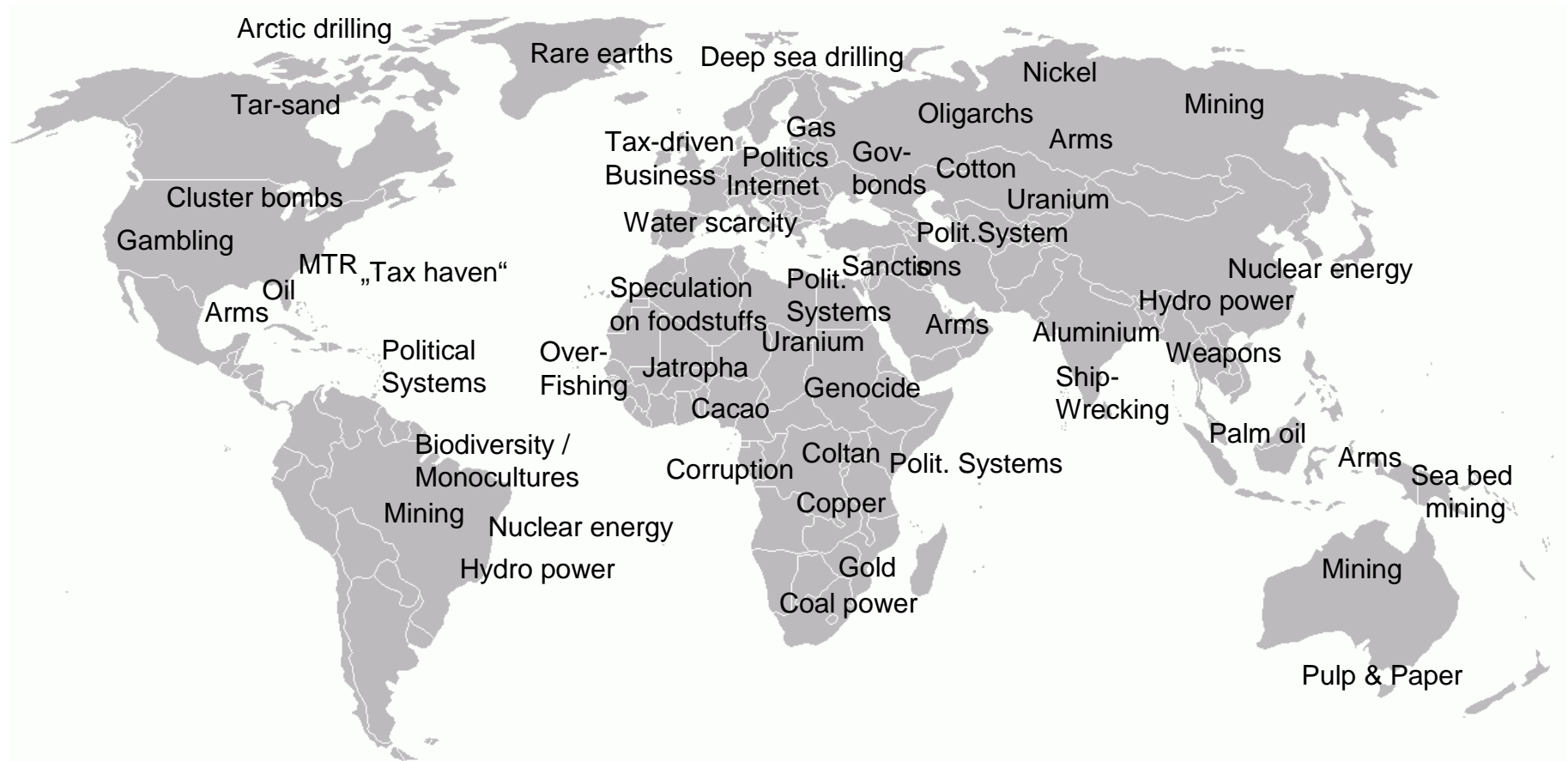
- › Human Rights
- › Indigenous peoples
- › Agricultural commodities
- › Fossil fuels
- › Power generation
- › Mining
- › Land and forestry
- › Toxic materials
- › Arms trade
- › Conflict Zones

### In figures



In 2015 around 5,400 processed inquiries checked

## ESG-Risk Management: selection of controversial topics



# Systematic and comprehensive assessment of potential ESG-Risk's



## Handling a controversial topic in a responsible way: Palm-oil

- › Palm oil represents a profitable, growing market (e.g. part of food and cosmetics)
- › At the same time palm oil business is under intense scrutiny because of its **negative ecological and social impacts** (e.g. slash-and-burn, land grabbing)
- › Close coordination with Singapore branch since 2007 for a pragmatic way to further pursue palm oil business
- › As a result the **Three-Step-Assessment** was agreed as internal standard for palm oil business

1 **Membership** at the Roundtable on Sustainable Palm Oil (RSPO)

2 **Certification** of the products / supply chain

3 Final individual **media-check** by RRM



## Responsible for our employees – focus on training and development: Commerzbank Academy

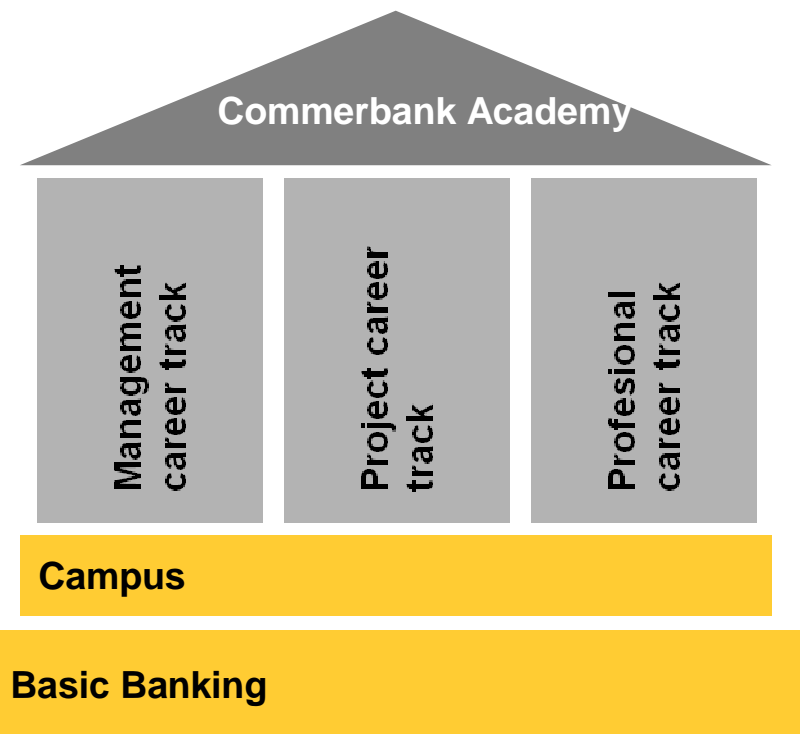
### Commerbank Academy

- › **Basic Banking:** bank-wide standardised basic learning programm for beginners
- › **Campus:** training and development programs in addition to current activities
- › **Managment career:** identify potential managers and prepare for the management career track
- › **Project career:** identify potential project managers and prepare for project management tasks
- › **Professional career:** development opportunities for employees who do not look for management or project career

### Summary



- › Professional access to training opportunities
- › Transparency of development paths



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## Sustainable banking business in all of our business areas

### SME-Bank

- › Competence Center Energy (CoC Energy)
- › Responsible lending
- › Cooperation with development banks
- › Roundtable on Sustainable Palm Oil

### Private Customers

- › Sustainable investments
- › Client satisfaction as control parameter in retail
- › Client advisory council
- › Free access to banking services (barrier-free accessibility )

### Corporates & Markets

- › Emissions trading
- › Commodities
- › Green bonds
- › Responsible capital market business

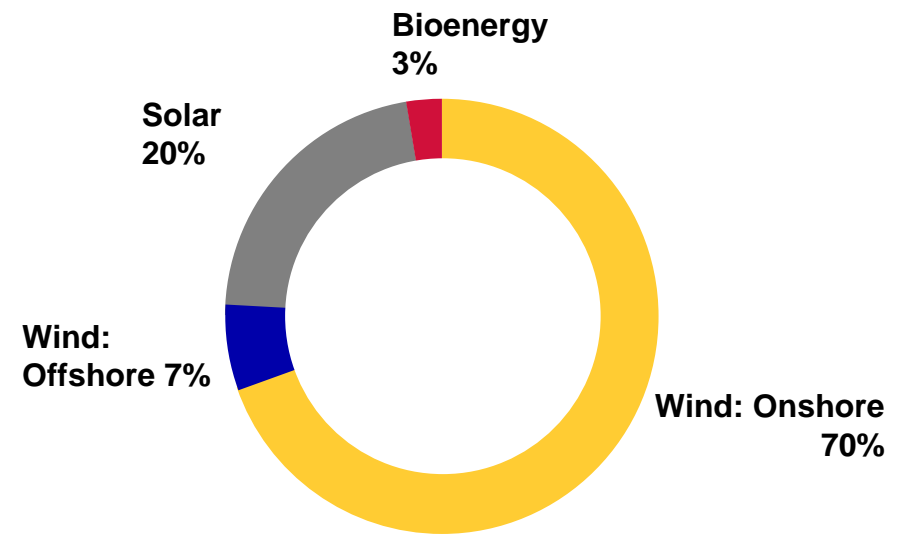


## Competence Center Energy – financing the German energy transition

### Leading position in Future markets

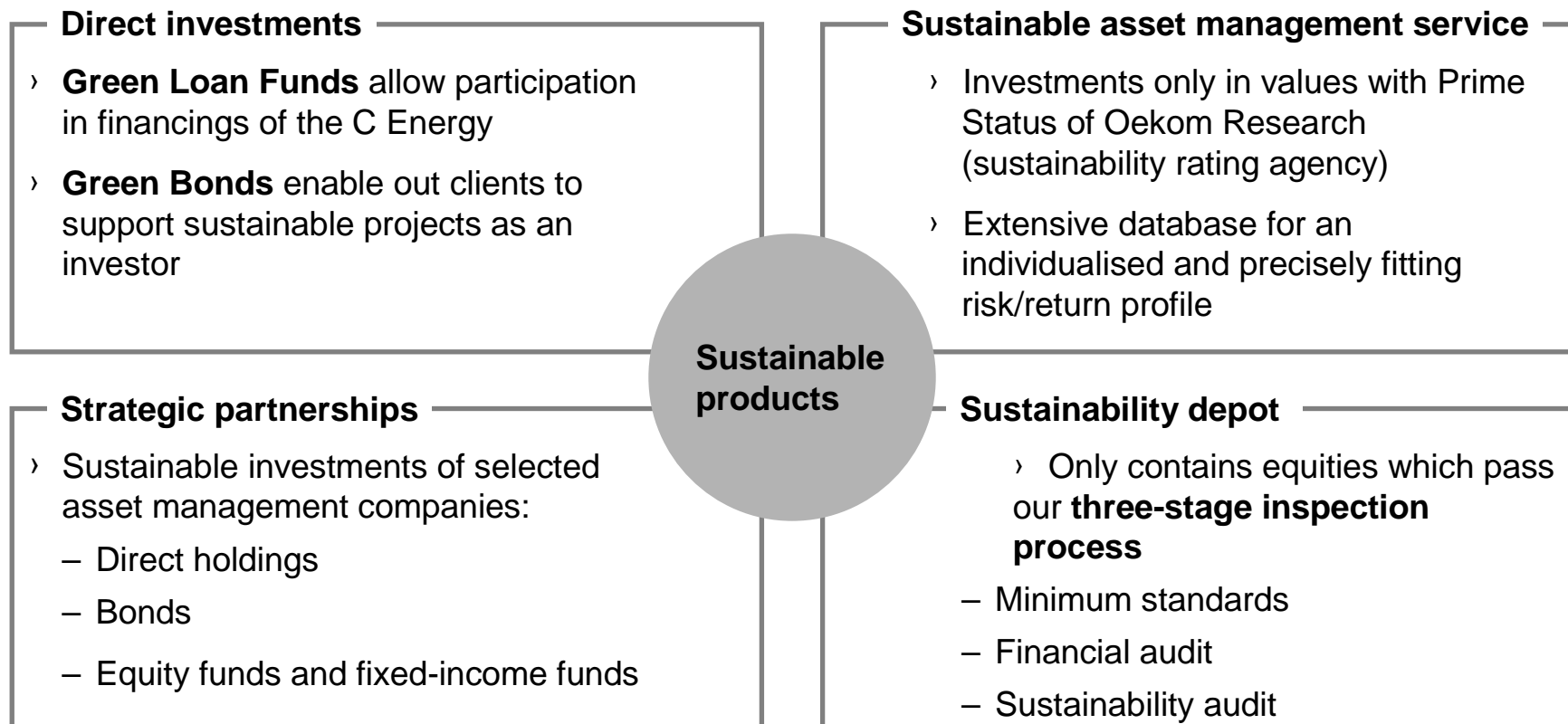
- › Commerzbank is **one of the world's largest funders of renewable energies**
- › **Loan Portfolio of 5,1 billion euro** in 2015
- › Funded systems annually avoid emissions totalling **12 million tonnes CO2**. (2015)
  - This corresponds to about 10 percent of all CO2 emissions saved in Germany in 2015 by using renewable energies

### Portfolio overview CoC Energy *by technology in 2015*



State: 31.12.2015

# Sustainable investment opportunities



## Promote green banking and drive innovation

### Energiewende@Commerzbank

- › overarching business strategy on managing the energy transition
- › Co-operation with technical consulting and certification organisations (TÜV) in order to support SME-customers in this transition process.



### Sustainable Trade

- › Two-part study in co-operation with Oxford Analytica
  1. “Five drivers of sustainable trade” (Part1)
  2. “The future of sustainable trade” (Part 2)
- › One of the major topics in global trade in the next 15 years



### Future topics

- › Intensify exchange with national/international organisations
- › UNPRI membership

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# Climate strategy

## Three general objectives

- › Make Commerzbank gradually **climate neutral**
  - Climate target: Reducing **greenhouse gas emissions** by 70 percent until 2020 (in relation to base year 2007)
- › Make **core business** even more sustainable
- › Make aware of climate change and **promote active climate protection**

## Spheres of activity for implementing

- 1 Climate protection as part of environmental management at the bank
- 2 Offsetting unavoidable carbon emissions
- 3 Environmentally responsible products and services in core business
- 4 Communication on climate protection

## Commitment pays off

- › Commerzbank is listed in renowned climate protection index „**Climate Disclosure Leadership Index**“ (CDLI) 2015
- › This makes Commerzbank one of the nine best companies of the financial sector in Germany, Austria and Switzerland.

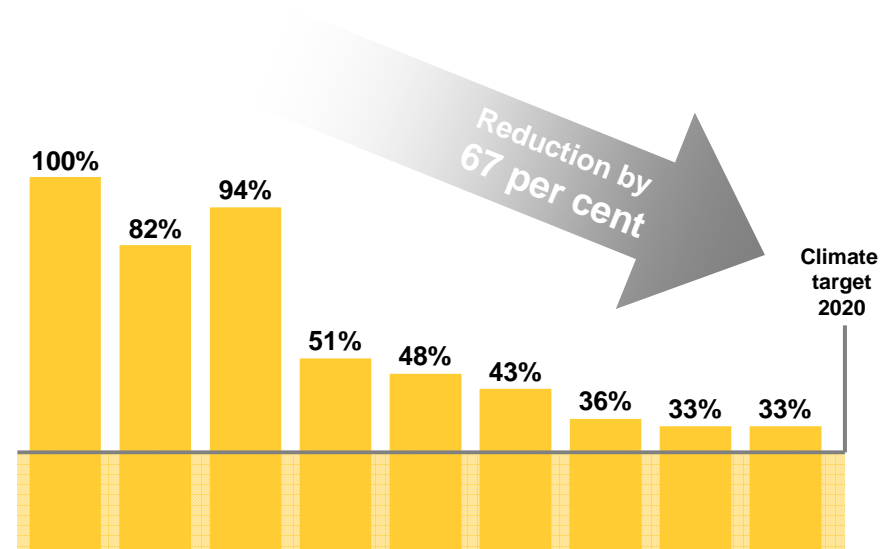


## Climate target

- › **Climate target:** Reducing **greenhouse gas emissions** by 70 percent until 2020 (in relation to base year 2007)
  - So far nearly 67% reduced (state 2015)
- › By changing to renewable electricity we have greatly reduced our indirect greenhouse gas emissions:
  - › Since 2013 all of our 1.300 Commerzbank buildings in Germany are supplied with **100 percent eco-electricity**.
  - › Compensation of unavoidable emissions



Reduction of CO<sub>2</sub>-emissions 2007- 2015



## Corporate Social Responsibility – strategic orientation

### Education

- › Promote educational equality
  - Supportive programs at the interface of school/job
  - Cooperation with private youth help and climate protection organizations



The English Theatre  
Frankfurt

### Corporate Volunteering

- › Support employees' voluntary commitment
  - Sensitization of employees for voluntary commitment
  - Development of concrete offers



### Sport

- › Support social aspects of sport
  - At club level
  - Youth work in football (DFB Junior Coach)



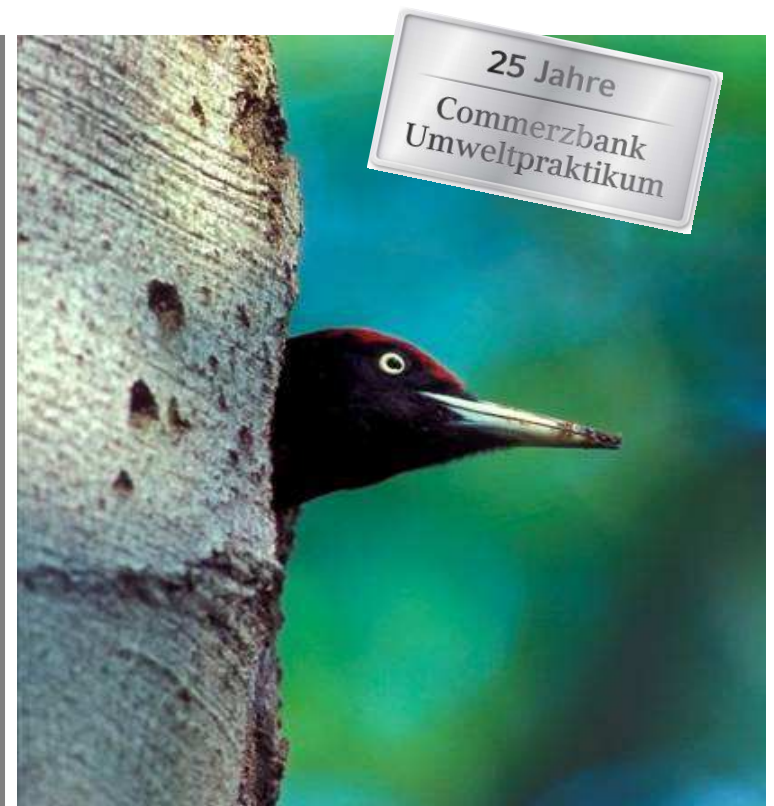
DSB

- › **We promote social justice and have positive impacts on our social environment**

## Environmental internship

### Environmental internship

- › Commerzbank offers the environmental internship to interested students (since 1990)
- › Every year **50 students** from various disciplines are given the opportunity to do an internship for several months in one of the **25 participating national parks, nature or biosphere reserves** in Germany.
- › Commerzbank provides grants and accommodation for the interns
- › In November 2015 the programme was awarded as project of the “UN Decade for Biological Diversity 2015/2016”.
- › Information on: [www.umweltpraktikum.com](http://www.umweltpraktikum.com)





# Commerzbank's stakeholder alliances to promote a strong civil society



**United Nations**  
Global Compact

- › Strategic initiative for corporations
- › Ten universal accepted principles (Human Rights, Labour, Environment, Anti-Corruption)

**RSPO**

Roundtable on Sustainable Palm Oil

- › Multi-stakeholder organisation
- › Sets minimum standard for sustainable palm oil



DRIVING SUSTAINABLE ECONOMIES

- › Non-Profit organisation, collecting climate data
- › Makes data available for investors with € 86 trillion AuM



**ICMA**  
International  
Capital Market  
Association

- › Business alliance
- › Standard for the issuing process of green bonds

and  
others



Finanz-Forum  
**KLIMAWANDEL**



**DGNB**

Deutsche Gesellschaft für nachhaltiges Bauen e.V.



Bundesnetzwerk  
Bürgerschaftliches  
Engagement



Deutscher  
NACHHALTIGKEITS  
Kodex

Aktionswoche  
**KLIMA+FINANZEN**  
Klima schützen, Werte schaffen | klima-und-finanzen.de




**BAUM.**  
Bundesdeutscher Arbeitskreis  
für Umweltbewusstes  
Management e.V.



Umweltforum  
Rhein-Main e.V.



**23grad**  
Netzwerk Umwelt- und  
Nachhaltigkeitswissenschaften e.V.

charta der vielfalt 



Mit dem Rad  
zur Arbeit  
Eine Initiative von  
ADFC und AOK



# Foundation Centre

## Foundation Centre

### Foundations

- › **Commerzbank Foundation** supports education, art and culture as well as social projects (since 1970)
- › **Juergen Ponto Foundation** promotes the next generation of artists in Germany (since 1977)
- › **Dresden Cultural Foundation** is a partner in the Dresden cultural scene (since 1991)

### Social Foundations

- › **Support for employees in need**
- › Bankdirektor Amandus de la Roy foundation
- › Foundation Meier Bruck
- › Hugo Zinsser Foundation
- › Alfred Prahm Foundation
- › Max Grunow Foundation
- › Charlotte Seibold Foundation

# Sustainability Communication



Annual publication of the Corporate Responsibility Report



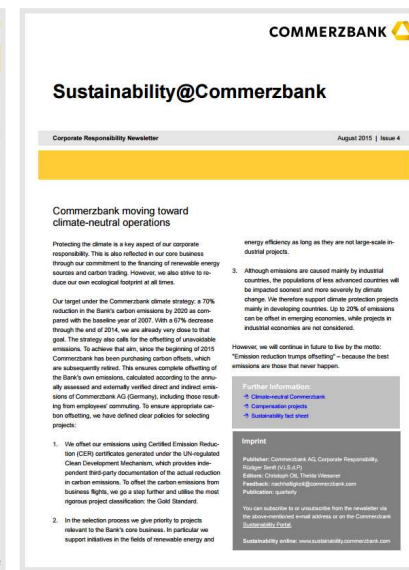
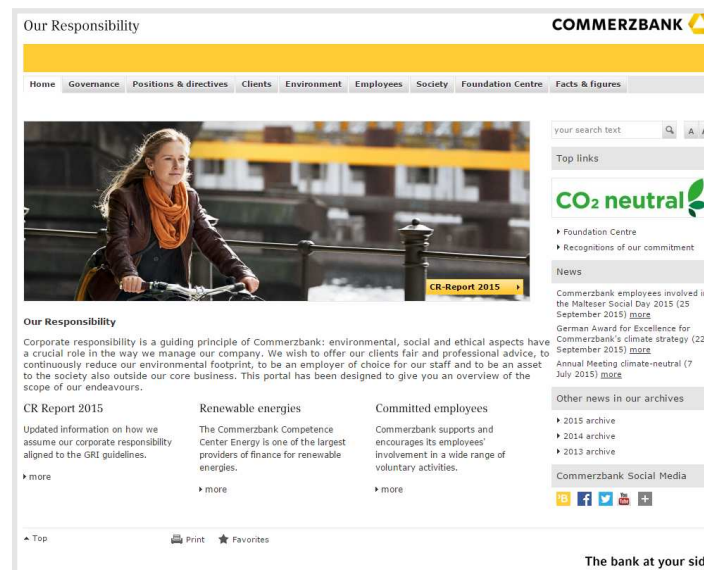
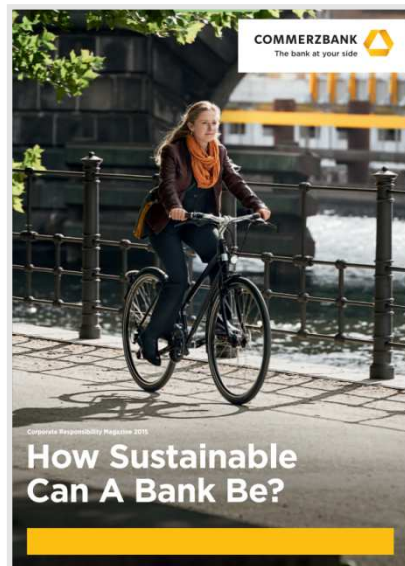
Up to date information in the internet at [www.sustainability.commerzbank.com](http://www.sustainability.commerzbank.com)



Information in our quarterly newsletter Sustainability@Commerzbank



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