

Responsibility.  
Trust.  
Confidence.

2013 Corporate Responsibility Report

The bank at your side

## Selected key figures

Key performance indicators	2010	2011	2012
Operating profit (€ million)	1,386	507	1,216
Pre-tax profit or loss (€ million)	1,353	507	905
Consolidated profit or loss <sup>1</sup> (€ million)	1,430	638	6
Total assets <sup>2</sup> (€ billion)	754.3	661.8	635.9
<b>Staff</b>			
Germany <sup>3</sup>	45,301	44,474	42,857
Abroad <sup>3</sup>	13,800	13,686	10,744
Total <sup>3</sup>	59,101	58,160	53,601
Total proportion of women at management levels 1–4 (Commerzbank AG, Germany) (%)	23.0	23.1	24.0
<b>Environment<sup>4</sup></b>			
Direct energy consumption (MWh)	218,988	204,383	209,429
Indirect energy consumption (MWh)	445,887	442,515	379,200
CO <sub>2</sub> emissions (t)	127,224	119,475	107,114
Paper consumption (t)	5,095	4,888	4,359

<sup>1</sup> Insofar as attributable to Commerzbank shareholders.

<sup>2</sup> As per 31 December of the year in question.

<sup>3</sup> Headcount as per 31 December of the year in question.

<sup>4</sup> All environmental data relate to Commerzbank AG in Germany.



# Responsibility. Trust. Confidence.

## About this report

This 2013 Corporate Responsibility Report explains how Commerzbank understands the principle of corporate responsibility and how it applies this understanding to its business processes, business model, employees and corporate citizenship. Aimed equally at internal and external stakeholders, the report is intended to be read by employees, shareholders, customers and all those who have an interest in Commerzbank. It refers to Commerzbank AG in Germany and covers all our 2012 activity. However, it also includes other relevant events that occurred before the editorial deadline of 31 July 2013. With a few exceptions (which are indicated accordingly), the key data refer to 2012.

### Transparent and comparable reporting

This is Commerzbank's fifth Corporate Responsibility Report. As far as comparability and transparency are concerned, it has like its predecessors been compiled in accordance with the G3 guidelines published by the Global Reporting Initiative (GRI). The report's compliance with these guidelines has been awarded Application Level A by the GRI, the highest level available (cf. page 85). This report also serves as our Communication on Progress regarding our implementation of the ten principles of the UN Global Compact (UNGC). An overview of the progress made by Commerzbank in implementing the UNGC principles is shown in table format (cf. pages 80–83).



### Qualitative and quantitative information in this report

When choosing the content of this report, Commerzbank applied the principle of materiality and focused on topics relevant to an assessment of its sustainability performance. To that end, we also carried out a materiality analysis during the reporting period (cf. page 49). The themes that emerged from that analysis form the focus of this report in proportion to their relevance. The key data in the report relate to Commerzbank AG in Germany, unless stated otherwise. It was collected at local level in the individual departments and compiled by the Corporate Responsibility department. Environmental data were requested by the Environmental Management team, collected by individual departments, analysed and quality-assured and then finally validated by Environmental Management.

The collection of key environmental data was also focused on Commerzbank AG in Germany. In addition, we began a process in 2012 to collect environmental data from all our foreign branches (Amsterdam, Beijing, Brussels, Dubai, Hong Kong, London, Luxembourg, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore, Tianjin, Tokyo, Vienna and Zurich). Currently, however, we are unable to provide complete data from these countries.

### Format and use of language

To make the report reader-friendly, we have avoided gender-based repetition in the text (i.e. his/her). Generally, we have also decided not to include full legal names of subsidiaries and not-for-profit organisations, again for improved readability. The 2013 Corporate Responsibility Report is available as a download in German and English from [www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de). On this portal you will also find all our sustainability reports along with supplementary information and the latest news on sustainability.



› Sustainability portal  
[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

The detailed Corporate Responsibility Report is published every two years; the next report will appear in 2015. In the intervening years, any significant data and relevant developments are published in an online status report.



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**Sustainable corporate management**  
Corporate responsibility and sustainability are absolutely fundamental to the way we do business.



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**Customers**  
At Commerzbank, fairness and competence are the mainstays of the customer relationship.

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**Management and employees**  
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**Martin Blessing**  
Chairman of the Board of Managing Directors

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*Ladies and gentlemen,*

The past few years have not been easy for Commerzbank: the sub-prime crisis in the US, the sovereign debt crisis in the eurozone and much tighter regulation have affected not just our own organisation, but also the sector as a whole. We have analysed – and learned from – our mistakes. We have consolidated the merger of Commerzbank and Dresdner Bank. This was no easy task – especially given the challenging market environment.

So when we talk about sustainability and responsibility, we understand only too well what these concepts mean. We take responsibility for our decisions in bad times as well as good. And we must deal responsibly with the effects that upheaval can have on our organisation. It's the only way we can be sure of sustained success.

That is exactly what we have been doing in the past few years. We have adapted our business model to the economic climate that now prevails in the financial sector, massively reduced our risk and cut costs. And we will continue to take this approach in the future. This will enable us to make extensive investments in our core business so that we can enjoy long-term and sustainable success in terms of income as well.

A further consideration for us is how we earn money as a bank and at the same time meet the changing needs of our customers. Our first priority is customer satisfaction, not short-term gain, because only satisfied customers can help us to achieve long-term commercial success. We have rigorously restructured our sales management processes, changed our performance incentives and given employees intensive training. We have made fairness and competence the core values for how we deal with customers and how we design our products. They apply to private and corporate customers and to all other Commerzbank business partners.

To that end, our products and services have been audited against our promise of fairness and competence as well as for responsibility and sustainability. For example, we were one of the first banks to stop issuing exchange-traded investment products based on staple food commodities.

The rights issue in May 2013 enabled us to reduce all elements of our exposure to sovereign debt as far as we could. We have optimised our level of capital and increased our ability to distribute dividends. At the same time, the German government's stake in Commerzbank has been reduced. Taken as a whole, these developments mark the beginning of the end of the German government's role as a shareholder in Commerzbank. And they lay the groundwork for future success.

But along with the challenges we face, we also want to use this report to talk about positive developments. The first of these is the notable improvement in efficiency, to which all areas of the bank have contributed. In environmental management, for example, changes to the data centres have resulted in savings of millions of euros. Even in tough conditions, environmental protection remains a top priority for us. Our commitment to renewable energies is undimmed. Since the beginning of 2013, Commerzbank has been using exclusively green electricity for all its offices and business premises in Germany. We have set ourselves a new climate target for 2020 that involves reducing CO<sub>2</sub> emissions by a further 20 percent. Together with our achievements in this area so far, that would constitute a total decrease of 70 percent from the base year of 2007.

Active environmental protection, enlightened labour relations and the fight against bribery and corruption are the cornerstones of the UN Global Compact. Alongside many well-known companies in Germany and worldwide, we are signatories to this initiative and are explicitly committed to its principles.

We are the leading private bank for small and medium-sized enterprises in Germany. The Private Customers segment is doing well. In the first six months of 2013 alone, we have approved nearly 40 percent more loans to private customers than in the corresponding period of the previous year. This is an area where our home finance advisors, who are not tied to particular providers, have had a noticeable impact. The realignment of our sales function to be more customer-focused and to provide fair advisory products has also received third-party endorsement. We have received excellent ratings for initiatives such as the Customer Compass. Customer satisfaction, which we assess regularly, has shown a marked improvement. Our free current account with a satisfaction guarantee has enabled us to boost our private customer business. In 2012, the branch network showed a net increase of 120,000 customers; by mid-2013, we already had another 100,000. This can be attributed in large part to our extensive and effective marketing campaign.

Fair products and impartial advice; customer satisfaction as the bedrock of our sales operation; a responsible and effective approach to internal challenges – these are the building blocks of our future success.



**Martin Blessing**

Chairman of the Board of Managing Directors

# Commerzbank: a partner for private and corporate customers

Headquartered in Frankfurt am Main, Commerzbank AG is one of the leading banks for private and corporate customers in Germany and Poland. It is also a strong universal bank with many years of broad experience brought to it by two banking houses steeped in tradition: Commerzbank, founded in 1870, and Dresdner Bank, founded in 1872 and merged with Commerzbank in 2009.

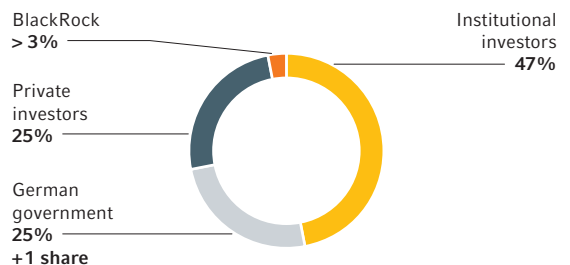
➤ We are a reliable and high-performance financial service provider for our private customers, who have one of the most extensive branch networks of any German retail bank at their disposal. We support German small and medium-sized enterprises (SMEs) in their business operations in Germany and beyond. At the same time, our customers also benefit from the capital markets expertise of our investment banking arm.

With around 1,200 branches, we provide our customers in Germany with an extensive network offering advice and services. We have a direct presence in the most important international commercial and financial centres. And we work with several thousand correspondent banks worldwide.

## Shareholder structure

As at 31 December 2012, around 47 percent of all Commerzbank shares were held by institutional investors. The rest were accounted for by our major shareholders SoFFin (the Financial Market Stabilisation Fund) and BlackRock as well as private investors predominantly domiciled in Germany. Minority shareholders, also known as the free float, accounted for about 75 percent. Investors based in Germany owned 58 percent of the shares, with investors outside of Germany holding the remaining 42 percent.

## Shareholder structure as at 31 December 2012



## Structure and organisation

Commerzbank has around 14 million private customers and one million small business and corporate customers worldwide. Its goal is to further strengthen its position as the market leader for private and corporate customers in Germany.

Our activity is focused on four core segments: Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe. The bank uses its new Non-Core Assets run-off segment, created in mid-2012, to bundle all its public finance activities, commercial real-estate finance and shipping finance.

Commerzbank's principal subsidiaries in Germany are comdirect bank AG, Commerz Real AG and Hypothekenbank Frankfurt AG (formerly Eurohypo AG).



Outside Germany, the bank is represented in 53 countries and all major financial centres by seven major subsidiaries, 23 international branches and 35 representative offices.

### **2012 business performance**

In 2012, Commerzbank's operating profit rose to €1.216 billion while pre-tax profit rose to €905 million, up from €507 million in the previous year. This was attributable, in particular, to a reduction in administrative expenses. By contrast, consolidated profit – insofar as attributable to Commerzbank shareholders – was down to €6 million against the previous year's figure of €638 million. For a detailed income statement, see the 2012 Annual Report from page 73 onwards.

Total assets of the Commerzbank Group amounted to €635.9 billion as at 31 December 2012. The drop of €25.9 billion or 3.9 percent compared with year-end 2011 was attributable to the reduction in balance sheet volume and risk-weighted assets, which was partially offset by the increase in collateralised money market transactions and the investment of free cash with central banks. Overall, Commerzbank took an important step on its way to further reducing volumes and risks. The reduction in volume particularly affected the Non-Core Assets segment – especially the Public Finance operating unit.

### **Rights issue in April 2013**

By a large majority, the shareholders of Commerzbank approved the planned rights issue allowing for the complete and early repayment of the silent participations of SoFFin (the Financial Market Stabilisation Fund) and Allianz. This transaction, which was completed in May 2013, has considerably improved the capital structure of Commerzbank. In the course of the repayment of the silent participations, the stake held by the German government in Commerzbank decreased from about 25 percent to less than 20 percent. Commerzbank has implemented the reverse share split as voted for at the Annual General Meeting in the ratio of ten to one.

### **Strategic agenda up to 2016**

At the beginning of November 2012, we presented our strategic agenda for the period up to 2016. In doing so, we wanted to use the next few years to adapt our business model to the economic climate that now prevails in the financial sector and generate targeted growth. In the period leading up to 2016, we will be investing over €2 billion in the profitability of our core business, keeping costs stable by implementing additional efficiency measures and further optimising our level of

capital. The bank intends to achieve a return on equity after taxes of over 10 percent in its core business in 2016.

The strategic realignment of our Private Customers segment should provide particular impetus for an increase in earnings. We aim to create a multi-channel bank that combines modern technology with traditional values such as fairness, trust and competence. Between now and 2016, Commerzbank will be investing a total of around €1 billion in its platforms, products and services, the advisory process and skills training for staff in the Private Customers segment. With these measures we aim to increase income per customer, raise the number of customers in Germany from the current eleven million to twelve million, and thereby achieve an operating profit of over €500 million.

The Mittelstandsbank segment will make further improvements to its successful business model and consolidate its leading market position. The growth focus is as much on winning new customers, especially in the SME sector, as it is on increasing the business we do with existing customers in Germany. Outside of Germany, we will develop business in our existing locations and invest in becoming one of the leading trade services banks in Europe.

Corporates & Markets offers customers with links to the capital markets financing solutions, hedging and investment products and associated advice. In doing so, it rigorously applies our risk-controlled business model: this segment stopped its own-account trading activities in 2004 and is now maintaining a clear focus on the customer. Investment banking is closely linked to Commerzbank's private and corporate customer business.

In our Central & Eastern Europe segment, we intend to continue the successful organic growth of Poland's BRE Bank and build on its tried-and-tested universal bank model. We will also be aiming to develop the direct banking provided by mBank: its mobile banking offer will be extended and its position as one of Europe's leading online banks strengthened. BRE Bank will also enhance its product range by exploiting the increased interplay between investment banking and corporate customer business and will tailor those products to the requirements of SMEs. All BRE Bank Group brands will be rebranded under the mBank name by 2016.

# Commerzbank in society

Banks are part of society and fulfil important roles in the economy: as an intermediary, employer, taxpayer and sponsor.

## Authorities

Banks were subject to state oversight and statutory regulation well before the financial crisis. The supreme regulator in Germany is BaFin (the Federal Financial Supervisory Authority).

Compliance,  
reporting

Tax and other  
payments

Reports

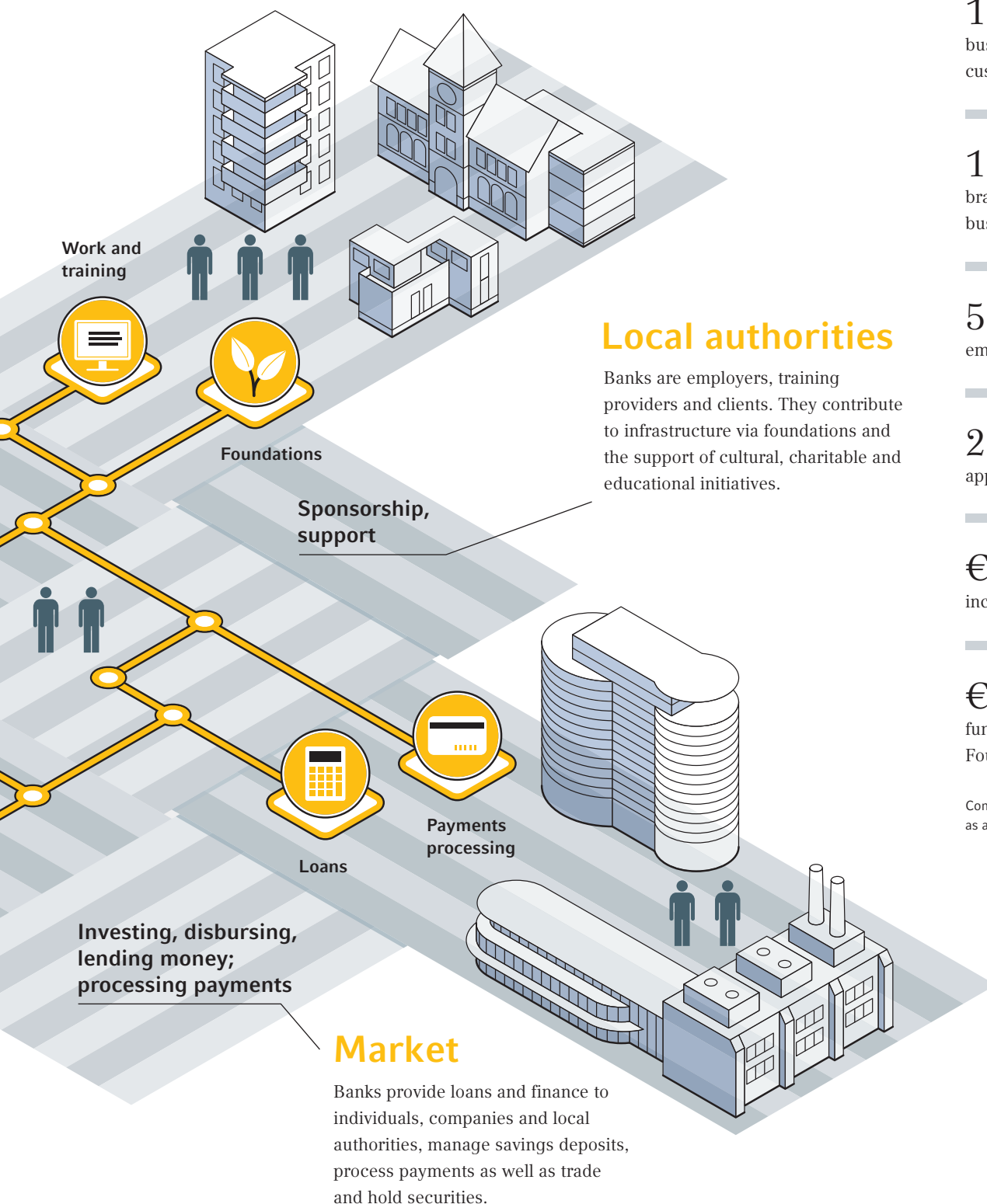
Sharing of  
information,  
engagement

Dialogue

Sponsorship

## Civil society

As players on the financial market and as part of society, banks are closely watched by various social groups. They therefore maintain a dialogue with a wide range of organisations that are part of civil society.



14 million

private customers

1 million

business and corporate  
customers

1,200

branches for private and  
business customers

53,601

employees

2,298

apprentices

€796 million

income taxes

€2.5 million

funding provided by the  
Foundation Centre

Commerzbank Group key figures  
as at end of 2012

## Local authorities

Banks are employers, training providers and clients. They contribute to infrastructure via foundations and the support of cultural, charitable and educational initiatives.

## Market

Banks provide loans and finance to individuals, companies and local authorities, manage savings deposits, process payments as well as trade and hold securities.



# Maximising the upside while mitigating the downside

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As one of Germany's and Poland's leading banks, Commerzbank sees sustainability and corporate responsibility as absolutely fundamental to the way it does business. They are our guide in overcoming existing challenges as well as our focus for the future.







➤ Sustainability is an over-used word – especially in the world of finance. For Commerzbank, it refers to the staying power we need to overcome the financial crisis and the challenges the crisis poses for us in particular. But it also refers to our future viability. Meeting our responsibilities, rebuilding trust, demonstrating confidence as a signal to employees, customers and business partners – these are challenges that we intended to meet with fairness and competence.

For Commerzbank, sustainability rests on solid values, binding codes of conduct and high self-imposed standards. It also requires continual dialogue with all the stakeholders in society affected by what we do. From these principles flow corporate goals such as the

- **Market orientation:** The bank thinks and acts on a market-oriented basis; the needs and aims of customers are the critical factors in this respect.
- **Team spirit:** Because our staff face up to challenges as a team, they can enjoy their success as a team.
- **Integrity:** This is the company's most important asset and the basis for customer confidence in Commerzbank.

Our Corporate Responsibility Guidelines translate these ComWerte into behavioural rules for day-to-day operations. Here employees and managers can see the priorities we have set ourselves for putting corporate responsibility into action. The Guidelines refer to six different areas:

- legal compliance and transparency;
- embedding the values in our core business;
- employee awareness;
- stakeholder dialogue;
- recognition of the United Nations Global Compact;
- continuous improvement.

Sustainability risks that have particular relevance for our business have been dealt with in specific additional guidelines.

Serious breaches of these guidelines can lead to disciplinary action. In a similar way, Commerzbank's Code of Conduct provides a binding frame of reference for behaving with integrity, dealing as it does with issues such as bribery, corruption, tax evasion, discretion, prevention of money laundering, insider trading and the basic principles of workplace behaviour. In addition, Commerzbank has adopted official positions on controversial business areas (see box on page 13).

#### Strengthening sustainability in core business

Loans, investment products or customer relationships that particularly affect sustainability are looked at very closely by Commerzbank's Reputational Risk Management department. Depending on the outcome, they can be made subject to certain conditions or even assessed as negative, which can lead to their being rejected. Sensitive areas that are subject to regular and thorough analysis by Reputational Risk Management include weapons, armaments and businesses involved in energy production or commodities mining. In 2012, around 2,600 requests were dealt with (2011: 1,800). About 10 percent received a negative evaluation owing to social, environmental or ethical concerns. The increase in requests is primarily due to increased

## Corporate responsibility

Solid values, binding codes of conduct, high self-imposed standards and continuous dialogue provide a framework for Commerzbank's business activities.

financing of renewable energies, the refusal to issue new exchange-traded investment products based on staple food commodities and our commitment to non-profit work. In this way, we can continue to make a contribution to sustainability, even outside of the bank.

#### Values and policies

Our commitment is based on the common values that guide everyone, from executives to employees. What we refer to internally as our ComWerte (corporate values) form the basis not just for our corporate responsibility but the individual, personal responsibility of every Commerzbank employee. These values are as follows:

- **Performance:** Individual and team-oriented performance forms the basis for the long-term success of the bank.
- **Respect and partnership:** These values are key features of our relationships with customers, employees and partners.



› **ComWerte**  
www.nachhaltigkeit.commerzbank.de  
> Employees

› **Corporate Responsibility Governance**  
www.nachhaltigkeit.commerzbank.de  
> Governance

› **Code of Conduct**  
www.nachhaltigkeit.commerzbank.de  
> Governance



awareness among the bank's employees. Regular presentations and workshops both in Germany and other countries, together with a special reputational risk newsletter introduced at the end of 2011, have made staff more aware of certain topics, such as the environmental effect of the growing demand for palm oil.

#### Minimum standards for palm oil

The palm oil issue is a good example to explain how Commerzbank has successfully implemented sustainability criteria in its core business. Palm oil is the world's most important vegetable oil, accounting for one third of global consumption of vegetable oil. Constantly increasing global demand is leading to the destruction of tropical forests to make way for palm oil plantations, especially in Indonesia and Malaysia but increasingly in Africa and South America as well. This in turn leads to indigenous peoples being dispossessed of their land and the destruction of rare animal and plant species.

Commerzbank was aware of this problem early on and entered direct talks with the relevant markets such as Singapore back in 2007. A trade agreement for the supply of palm oil has been jointly produced. Commerzbank has been guided in this process by the regulations laid down by the Roundtable on Sustainable Palm Oil (RSPO). This body was established to set minimum standards for the sustainable production of palm oil and currently has over 1,000 members. Any palm oil supplier with whom Commerzbank is involved must be a member of the RSPO. The supplier must also provide information (such as certification) regarding the extent to which it has already implemented, or plans to implement, sustainable palm oil production in its processes. If the supplier fails to meet any of these criteria, Commerzbank will not provide finance in this case.

This and other issues are firmly embedded in the bank's processes. Commerzbank's Reputational Risk Management department is regularly looking out for and analysing newly emerging environmental, ethical and social issues and making the relevant areas of the bank aware of them.



## Policies and positioning

Many stakeholders representing different aspects of society raise questions with Commerzbank about controversial issues. We acknowledge our economic and socio-political responsibility – to the extent that we are able to exert an influence. We therefore respect the demands and expectations of external stakeholders and look at how and whether they can be incorporated into the bank's decision-making processes. Investments that are related to the topics on the right are examined by Commerzbank's Reputational Risk Management department. More information: [www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)  
> Governance

**Agricultural commodities** In November 2011, Commerzbank stopped issuing new exchange-traded investment products based on wheat, maize, soya, rice or potatoes. Commerzbank does not issue products that contain staple foods, nor does it actively market or recommend them.

**Human rights** Within its sphere of influence, Commerzbank ensures that human rights are respected, especially by its employees, suppliers and customers.

**Armaments** Introduced in 2008, the policy governing armaments relates to transactions involving weapons and armaments within the meaning of the German War Weapons Control Act (KrWaffKontrG).

**Conflict zones** When evaluating potential transactions, Commerzbank looks not just at a country's political situation but also at possible conflicts.

**Fossil fuels** In the case of financial transactions in connection with crude oil, natural gas or coal, Commerzbank also examines issues of environmental protection, human rights and working conditions.

**Electricity generation** Generally accepted principles of sustainability are also observed when considering financial transactions involving electricity generation (especially dams and coal-fired and nuclear power stations).

**Indigenous peoples** Commerzbank's activities relating to implementation of the UN Global Compact also includes special protection for indigenous peoples in connection with large-scale projects.

**Agriculture and forestry** Besides fulfilling challenging requirements relating to the environment and human rights, Commerzbank takes other aspects into consideration, such as procurement practices of international corporations, criticism concerning genetically modified organisms and FSC standards.

**Mining** In this area, Commerzbank assesses extraction methods, compliance with standards for human rights and working conditions, anti-corruption practices and environmental restoration.

**Toxic materials** When considering finance transactions, Commerzbank investigates compliance with emissions and exposure limits based on generally accepted standards.

Back in 2004, Commerzbank was one of the first in the banking sector to focus its investment banking arm on customer-related business by ceasing its dedicated own-account trading activities. We intend to continue to apply this risk-controlled business model consistently and furthermore to forego spectacular but high-risk gains generated by own-account trading.

#### OECD guidance on precious metals

In mid-2013, as one of the leading players in the precious metals market, Commerzbank issued its own directive based on the recommendations made by the Organisation for Economic Co-operation and Development (OECD) for the responsible sourcing of precious metals from conflict zones. One of the world's largest processors of precious metals, Argor-Heraeus, of whom Commerzbank is part owner, has also implemented its own detailed directive. In addition, commodities are only sourced from suppliers who apply similar regulations.

- › regulations on the prevention of money laundering and the financing of terrorism;
- › imposed sanctions;
- › codes of conduct for investment services and other related services;
- › anti-fraud and anti-corruption measures.

The basic goal is to identify at an early stage any compliance risks that could threaten the integrity, and therefore the success, of Commerzbank, and minimise and control them as much as possible.

At Commerzbank, an essential tool for meeting these requirements is the Global Compliance Manual. It brings together all the Group's minimum compliance standards from around the world and is updated at least once a year. As part of these updates, the chapters on anti-fraud management and the employee code of conduct were recently revised and on 1 July 2013 were made binding for all Commerzbank employees.

#### Prevention of terrorism and money laundering

At the end of 2012, mindful of the increasing restrictions on trade imposed by international and European sanctions, the Compliance unit completed the worldwide introduction of the Guidelines on Sanctions Due Diligence for Documentary and Guarantee Business. These guidelines require trade finance deals to be carefully checked against consistent criteria to see if they are the subject of an embargo, thereby ensuring that the bank does not breach any sanctions that are in place.

The prevention of money laundering and terrorist financing is continuing to become increasingly important. In order to satisfy increased international requirements in these areas, we need to examine and develop our existing security arrangements on an ongoing basis. Our Compliance department works closely with all areas of the business in Germany and elsewhere, advising and supporting them in meeting these requirements and the challenges they give rise to.

#### Strengthening investor protection

The German Investor Protection and Capital Markets Improvement Act (AnsFuG), which deals with securities compliance, came into force in November 2012. It aims to provide investors with greater protection against bad advice and gives Germany's Federal Financial Supervisory Authority (BaFin) further powers to carry out inspections and impose sanctions. Commerzbank has 12,000 members of staff who pro-

## Compliance standards

The goal is to identify at an early stage any risks that could threaten the integrity of Commerzbank.

#### Compliance

The Compliance Unit regards itself as a partner and advisor to the individual divisions of the bank, helping to manage and reduce compliance risks. The guiding principles here are the implementation of, and adherence to, statutory banking regulations and Commerzbank's own internal rules, compliance with standards and codes of conduct that are typical for this area. On the one hand, the focus is on preventing and combating illegal activities and, on the other, on adhering to statutory regulations, standards and codes of conduct typical for the field of business, in particular:

Chris-Oliver Schickentanz, Chief Investment Officer in the Private Customers segment, examines the dilemma:



## Are all non-sustainable investments really unsustainable?

One thing is true: Commerzbank is not one of the well-known players when it comes to sustainable investments. Among other reasons, this is because Commerzbank has not sold any funds of its own as part of its asset management business for many years. Nonetheless, the investment recommendations made by our customer advisors mean we do have an influence over our customers' investments decisions. But returning to the question: are all investments not actually described as sustainable automatically non-sustainable?

"We do a great deal to ensure the sustainability of our investments," says Chris-Oliver Schickentanz, Chief Investment Officer in the Private Customers segment at Commerzbank. "If you ask our customers whether sustainability is important to them, two thirds of them will say yes. After all, nobody wants an investment that is explicitly unsustainable." But at the same time, actual demand for specifically sustainability-oriented forms of investment is limited.

Although customers seldom put it into practice, they do have a real wish for sustainability and

Commerzbank fulfils this wish, in certain respects, by taking the decision out of their hands. "Since 2011, all investment recommendations for private customers have gone through a sustainability filter," explains Schickentanz. The first step in this process is to exclude all companies that breach generally accepted UN principles, such as the ban on cluster bombs. Only then does a conventional financial analysis of equities and bonds take place. "The outcome is that we identify investments that are financially lucrative yet meet a minimum level of sustainability," says Schickentanz.

A third step in the sustainable investment process that Commerzbank customers can, but are not obliged to, take is the targeted search for investments with the lowest sustainability risks, for which the services of an external ratings agency are engaged. However, "the first two stages of the filter process prevent our investment recommendations from being non-sustainable, even if they don't actually say 'sustainable' on the label," believes Schickentanz. ■

vide advice as defined by the German Securities Trading Act (WpHG). The bank has informed them of the resulting requirements and thereby ensured the new legislation was implemented in a timely manner.

In 2012, BaFin also enhanced the Minimum Requirements for the Compliance Function and Additional Requirements Governing Rules of Conduct, Organisation and Transparency pursuant to sections 31 et seq. WpHG (MaComp). The new regulations clarify the obligations of the compliance function and the processes where it is to be applied. Under these regulations, compliance has ceased to be simply an inspection measure and now offers protection as well. In the interests of improving the service we offer our customers, Commerzbank implemented these new regulations immediately.

### Avoiding sustainability risks in our investments

Investments made without regard for ethical principles can hinder sustainable development. To protect our customers against unwittingly becoming complicit in breaches of human rights or environmental damage, all of Commerzbank's investment recommendations are run through a "sustainability filter". In that way we can be sure that we do not invest in companies that breach the generally recognised principles of the UN (see "Dilemma" box). ■



## Environmental management aids efficiency measures

In the light of continuing climate change and rising energy costs, it is becoming increasingly important for companies to take responsibility for protecting the climate and conserving natural resources. We have undertaken to minimise our environmental impact over the long term. The thousands of computer workstations we use, and the IT infrastructure underpinning them, constitute one of our biggest leverage tools for the greening of our IT systems – that is, for the energy-efficient and resource-efficient operation of our IT and communications technology.

Specifically, this means replacing hardware and systems with more energy-efficient equipment. For several years now, we have been working to virtualise our servers and are redesigning the data centres to keep warm and cold air separate. The new hardware also tolerates higher temperatures in the data centres – 26 to 27 Celsius instead of the former limit of 22 Celsius. This means we can use less energy for cooling yet still get the same performance from the equipment. In the past three years, we have been able to reduce the number of data centres from 21 to eleven. And we have reduced the amount of cabling and number of devices per user, which has also led to a reduction in energy usage.

### More than a million worth of savings thanks to green efficiencies

Energy efficiency pays dividends: this can be seen most noticeably with the cooling systems at our Frankfurt service centre, where Europe's largest trading floor and

#### More efficiency

IT equipment (as used on our trading floor, shown on the right) consumes a lot of energy. Cold aisles in the server rooms (left) are an efficient way of using less energy and reducing costs.



the bank's central data centre are to be found. For an expenditure of around €40,000, we reduced our 2012 energy costs by €1.44 million from the previous year.

Also in 2012, when it came to business travel, we reduced greenhouse gas emissions and cut costs by 40 percent from the previous year. Cost-cutting measures led to a tightening of the bank's existing travel guidelines and to the increased use of phone and video conferencing instead of face-to-face meetings.

### New climate target

At the start of 2013, we made our climate target even more demanding. Up until 2011, we had been aiming to reduce groupwide CO<sub>2</sub> emissions by 30 percent against the base year of 2007. We reached this target ahead of schedule and, with CO<sub>2</sub> reductions of 52 percent by the end of 2011, exceeded it by some margin. This was achieved in large part thanks to our phased conversion to green electricity, which was completed on 1 January 2013. Since then, the approximately 1,300 buildings occupied by Commerzbank AG in Germany have been 100 percent powered by green electricity.

Our new target is that, by 2020, we will have reduced our greenhouse gas emissions by a total of 70 percent compared to 2007 and will have made further strides towards being climate neutral as a company. At the request of the Group Environmental

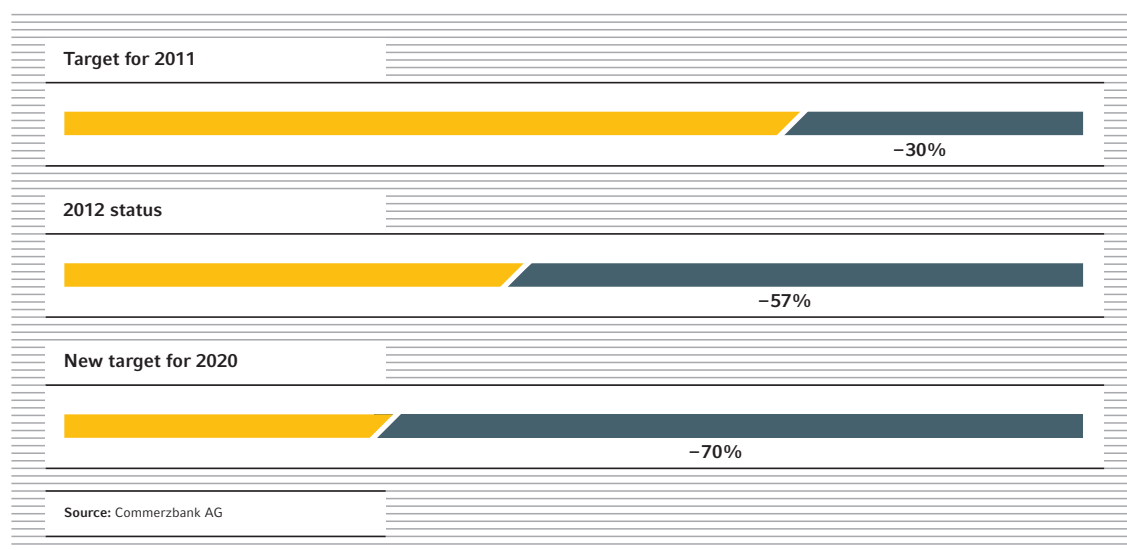
### Carbon Trust Standard

Commerzbank London has obtained Carbon Trust Standard certification for the third time in succession due to steadfast efforts to reduce its annual CO<sub>2</sub> emissions. These efforts have enabled Commerzbank London to reduce its carbon footprint by 27 percent over the past five years, with an 11 percent decrease in 2012. It has therefore not simply achieved its reduction target, it has considerably exceeded it.

Committee, various measures are being worked on – in the areas of business travel and buildings, for example – to achieve this target. Where business travel cannot be avoided, we encourage staff to use the train whenever possible. In May 2013, Commerzbank's car-pooling scheme began: employees with similar routes can get together via an intranet platform, thereby using their cars less, saving on travel costs and reducing their environmental impact.

The climate target and the measures associated with it represent Commerzbank's commitment to greening its operations as part of its climate change strategy. Other elements of the strategy aim to make the core business even more sustainable and develop other climate-relevant products and services. The bank also wants to increase awareness of climate change and wherever possible promote active climate protection measures to its staff, customers and the public. >

### Climate target for 2020 Reduction in CO<sub>2</sub> emissions compared with the base year of 2007







#### Green building

Commerzbank insists on energy-efficient construction and building use – both at its head office and in the regions.

## 100 percent green electricity

Since January 2013, the approximately 1,300 buildings occupied by Commerzbank AG in Germany have been 100 percent powered by green electricity.

#### Sustainable property management

Commerzbank has a long history of sustainable building use. For the past 16 years, we have insisted on energy-efficient construction and building use for new builds and refurbishments. In 2009, Commerzbank Tower in Frankfurt, which was completed in 1997 and serves as the bank's head office, was one of the first recipients of the city of Frankfurt's Green Building Award. The former head office of Dresdner Bank, the Silver Tower, which was thoroughly renovated in 2011 and subsequently sold, was awarded silver certification from the German Sustainable Building Council (DGNB). For the Gallileo building in Frankfurt's

Gallusanlage, we are aiming to gain certification from the US LEED system (Leadership in Energy and Environmental Design) for resource-efficient construction and servicing. We hope to achieve this by 2015.

This emphasis on environmentally responsible architecture is shared by our subsidiaries. In a joint venture with Tishman Speyer, Commerz Real is responsible for the TaunusTurm project. The building, which is still under construction, is aiming to be the first newly-built office skyscraper in Frankfurt to gain LEED Platinum certification, the scheme's highest rating. Innovative and high-performance heating and cooling ceiling systems ensure an excellent environmental footprint, using around 30 percent less energy than conventional systems. With its connection to the Frankfurt district heating network, the building is heated with green energy, a process whereby in summer an absorption refrigerator is used to turn the district heating into cold water for air conditioning systems. The sprinkler tanks are used as cold water storage units. Other elements are solar control glazing, water saving technology, rainwater recycling, an intelligent lift system, individual office lighting and refuse disposal areas with recycling zones. ■

# Responsibility: What does it mean for banking?

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Banks are central pillars of a country's economy; they extend loans and arrange finance. Without their potential to offer credit, the economy would not be able to make the investments that enable prosperity and growth. Their business is essentially the trading of expected future returns. **By Professor Birger Priddat**

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➤ This is not a risk-free business. Markets shift and change – sometimes not in the expected manner. This is because lending and the capital markets business (derivatives, options, etc., but also equities and bonds) inherently involve a future dimension. However, things can turn out not quite as expected. Banks have experience in predicting future markets, but their experiences are static and are based on assumptions about what is likely to happen. When they say they expect something to occur with a likelihood of 80 percent, there is a 20 percent chance that it will not occur. The banks' responsibility is to be able to deal with this risk and to remain capable of functioning should there be unexpected changes (e.g. in volatility). That was not the case in 2008 and 2009.

Banking has its own particular characteristics: rather than producing tangible goods, it makes promises based on past experience. This calls for a strong awareness of risk – on the part of banks, which are ramping up their risk management, and customers, who are having to learn that they may be choosing investments that, because they promise good profits, also entail a greater level of risk. In this context, providing appropriate advice requires particular expertise. Market participants accept that it is normal for banks to want to sell their securities above all else. Some investors may have illusions about how realistic their profit expectations are, but

then money has the inherent power to spark the imagination. The banks' responsibility here covers not only private bank-

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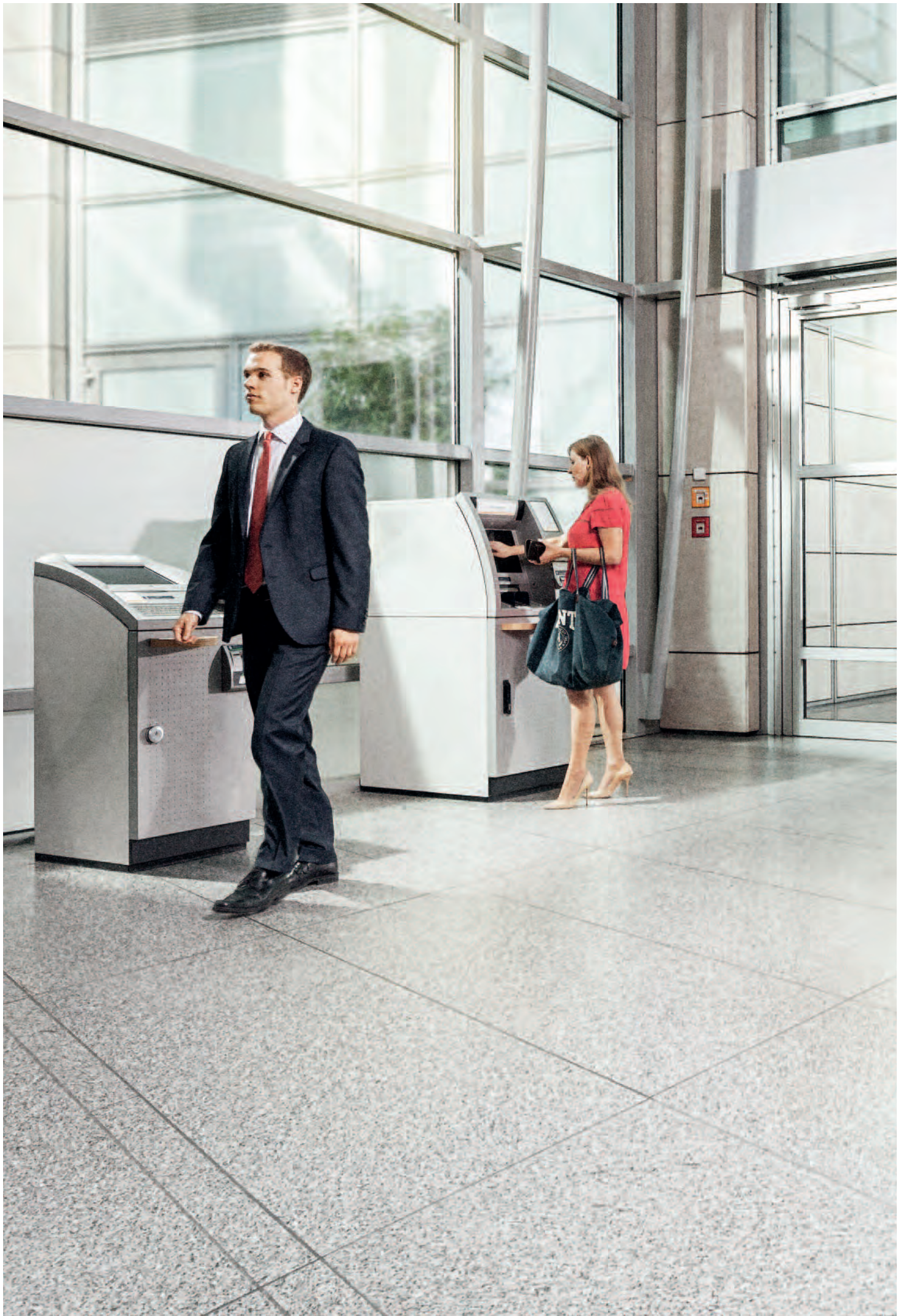
**Professor Birger Priddat** is the current incumbent of the chair for political economics at Witten/Herdecke University.

ing but also, for example, food commodity speculation and project finance. Public attention is now focused more closely on the banks, which have realised that they have to choose areas in which they operate more carefully or justify their actions.

The responsibility of the banks lies in communicating the risks and contributing to financial literacy so that investors can form realistic expectations. The banks therefore need to regain the trust that people once had in banks, and this will require changes in the advice they give. Customers have become more cautious as a result of the events of 2008 and 2009. Banks cannot operate meaningfully in this market of promises without a high degree of trust; there are always "open" contracts that are not fulfilled until later on. Customers must accept that the banks are their partners whose experience of the markets extends far beyond their own powers of judgement. However, the banks can make a difference in a way that goes beyond risk communication and financial literacy: along with politicians, they are the ones who have to create confidence in money as a store of value.

If customers and banks want to continue to do business with each other in the long term, there needs to be some form of rapprochement. It is important to remain objective: the banks cannot provide investors with absolute guarantees but they do require the expertise to arrange and manage investments wisely. This transforms the manner in which they deal with risk into an indicator of quality. ■







A man and a woman are walking through a modern glass entrance of a building. The man is wearing a dark blazer and light-colored trousers, and the woman is wearing a dark dress and a brown bag. They are walking towards the right. The entrance has large glass doors and windows. To the right, there is a potted plant with green leaves. The floor is made of light-colored tiles.

Customers

# Fair treatment, competent advice

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At Commerzbank, fairness and competence are the mainstays of the customer relationship – not least as a result of the crisis of confidence in our sector. To live up to this challenge, we have modified our products and processes and made customer satisfaction one of the most important benchmarks.



It is almost impossible to talk about banks' corporate responsibility without thinking about customer confidence. Commerzbank, too, has made mistakes here in the past. We have recognised them and taken various steps to win back the confidence we have lost. Initial successes show that we are on the right track.

In developing a future-proof strategy, in 2012 we consulted those who are targeted by this strategy: our customers. We conducted extensive market research involving thousands of interviews to find out what customers expect from a bank today. The answer was as clear as it was simple: first and foremost they want a fair and competent bank. Customers are looking for dependable advice and products that they understand and need.

Consequently, fairness and competence have been the central values in our new brand positioning since November 2012. We want to be regarded as a bank that is known for the fair and professional manner in which it deals with customers and that demonstrates a high degree of expertise when it comes to any financial matter. Our range of products and services is geared to the interests of customers. Their satisfaction has become a yardstick for measuring our success.

The new positioning is not just a label; it needs to be put into practice when we advise our customers – whether in the branch, in meetings with corporate customers or over the internet. That is why we have discontinued products and business lines that no longer fit with our promise and have launched new products and services. In private banking, for example, we have introduced free current and business accounts with a satisfaction guarantee, home finance that is not tied to a provider and a free 30-day trial for consumer loans.

### Delivering excellence

Customer focus and customer satisfaction are also at the heart of an internal initiative to bring about improvements. Known as “Commerzbank Excellence”, the initiative was launched in August 2011. The objective is to improve internal processes in order to make us easier to contact, make lending processes more understandable and faster and avoid unnecessary process steps – in short, we simply want to offer our customers a better service. Since 2012 we have performed significantly better in customer surveys and in external tests. This is due not only to our banking products but also, in no small measure, to these improvements to our processes. ■

## Fair products for private customers

Our advisory meetings with customers are the first step in upholding our promise of being fair and competent. The “Kundenkompass” (Customer Compass) was introduced in mid-2012 as a tool with which to analyse customers' financial and personal circumstances within a few minutes and then to find solutions tailored specifically to their individual wishes and goals.

We begin by reviewing the customer's personal situation with them: what do they want and what are their plans? What is their personal and financial situation? Where are their financial assets? It takes just 20 to 30 minutes to produce a comprehensive financial analysis – one that is easy to understand, clear and well-structured. After the analysis, it is time to put forward individual recommendations based on the information

### On the right track

The results of neutral tests and our growth figures show that our efforts are paying off. Since mid-2012, we have gained an average of 3,000 new private customers per week and up to 1,000 new corporate customers per month. Introducing non-captive advice on home finance products quickly enabled us to increase our share of this market by around 60 percent. In the City Contest 2013, a study conducted by the Institut für Vermögensaufbau (IVA, institute for wealth management) that assessed the quality of advice given in 1,300 bank branches in approximately 300 towns and cities, the number of our branches being crowned the local winner rose substantially. Our overall average rating was 2.4 – making us the highest ranked bank (as at

mid-2013). We also came out top in a service test carried out by the Deutsches Kundeninstitut (DKI, German customer institute) in May 2013, which looked at aspects of investment certificate trading, such as transparency and product information. Our employees also believe in us: the Commerzbank Monitor published in June 2013 revealed a sharp rise in employee commitment, particularly in the Private Customers segment. Employees' willingness to recommend the bank to friends and family as a competent financial service provider offering attractive products and services has almost doubled compared with the previous survey, which was carried out in 2011.



#### Customer review

The Customer Compass is the starting point for providing fair and competent advice in our Private Customers segment.

\* The accolade from Focus-Money is based on the certification awarded to the Customer Compass by the Institut für Vermögensaufbau (IVA, institute for wealth management). Products offered by other providers were not tested.

supplied by the customer. During the advisory meeting, financial aspects and recommendations are looked at in greater depth, solutions are identified and discussed and the next steps are planned. At the end, each customer is given a clearly laid out and understandable record of the meeting. Wealth Management uses a similar tool, the “Strategiedialog”, for high-net-worth private customers. And, in the fourth quarter of 2013, we are launching a Customer Compass for our corporate customers too.

#### Customer Compass comes out top

In September 2012, the Munich-based Institut für Vermögensaufbau (IVA, institute for wealth accumulation) thoroughly tested the Customer Compass on behalf of Focus Money magazine. The tool achieved an above-average result in every area, was described as “excellent financial analysis” and earned five out of five stars in the test. But what is even more important to us is that customers also highly rate the advice they receive: in a survey conducted in March 2012, 70 percent of customers said that, after attending a meeting at which the Customer Compass was used, they would recommend Commerzbank to others.

Providing fair advice can also mean showing customers not only our own products but also alter-

native products available from competitors. One of the areas in which we do this is non-captive advice on real estate finance: our “CobaHyp” service uses a vast database to compare the conditions offered by 250 banks. And we offer more than just market transparency because we also give customers the option of signing up to competitors’ products directly through us.

Commerzbank customers also have a wide range of funds to choose from. Based on 10,000 or so fund products that are registered in Germany, our selection process enables a recommendation to be made about investments with good prospects soon after a fund is launched.

#### Benefits for existing customers too

The free current account with a satisfaction guarantee is another of our fair products. New customers receive €50 as a starting balance. If they are not satisfied after actively using the account for a year and decide to close it, they receive €50 as a “dislike” bonus. This rule has applied to all free “Giro” and “Aktiv” current accounts opened since November 2012. We have also offered this guarantee with new business accounts opened since the start of 2013 and, since May 2013,





with “Start” accounts – our target-group-specific product for young people at school, in training or at university.

In January 2013, we introduced a fixed-interest savings product with a one-year term for new and existing customers alike. This product is particularly attractive in view of the current low level of interest rates. We also attach great importance to fairness and competence in our new lending products. For example, we enable customers to make additional repayments on their home finance loans on generous terms. Finally, we have also modified our consumer loans:

in November 2012, we discontinued the handling fee for new loans and, since March 2013, customers have been able to trial our loan products free of charge for a 30-day period. Our existing customers gain a small extra benefit here as current account holders obtain a 0.5 percent lower interest rate as a loyalty bonus.

#### **Complaints management improved**

If a customer is not satisfied despite all the improvements to our products and advisory processes, the efficient management of complaints can be a lifeline for the customer relationship. We also assessed these

Sabine Schmittroth, Head of Sales Management for private customers, examines the dilemma:



## Are products that are good for the bank good for the customer, too (and vice versa)?

“Banks only sell those products that will benefit them most” – a familiar statement for disappointed bank customers who have had these and similar experiences in recent years. This opinion about banks has become entrenched in many customers’ minds, thereby harming confidence in their own banks. One of the possible reasons for this poor state of affairs are incentives for sales staff that combine the sale of certain investment products with quantitative targets. Consideration of whether these products were right for a specific customer’s requirements was not always a priority.

“We have set a new course,” explains Sabine Schmittroth, Head of Sales Management for Branch Banking at Commerzbank. The Customer Compass enables customers’ wishes and requirements to be documented in a structured manner, serving as the basis for the advice then offered. Since 2012, we have also increasingly been offering customers non-Commerzbank products, such as home finance, if these prove a better match with customers’ specific needs.

“A long-lasting successful customer relationship is based on trust and satisfaction,” says Schmittroth,

explaining the aim of these changes. “As customers’ first port of call, our advisors are responsible for this.” She adds that, besides applying new statutory regulations regarding customer advice (e.g. documentation of the advice provided), it is a question of “empowering and enabling employees to work in a more customer-focused way”. Commerzbank also made changes to sales management in 2011. As well as introducing a customer-oriented advisory process, the focus was on enshrining customer satisfaction as an integral element of sales management. The team also measures, and is accountable for, sales targets.

Schmittroth does not find it contradictory that banks make money from their customers: “Our customers know that a bank is not a charitable organisation.” But a banking product must be of value to both parties. Ultimately, Schmittroth does not see the question posed in the title as a dilemma because she believes that “only products that are good for the customer can be good for the bank in the long run.” ■

processes in terms of fairness and competence in 2012. Our new processes enable customers to make a complaint via any channel – in person, over the phone, by e-mail or by letter. We believe that it is no longer about justifying the action that the customer is criticising but

Companies need a bank they can depend on, particularly during difficult economic periods. The general economic and industry-specific crises of recent years have been challenging for many companies. Because German SMEs largely fund their capital spending by taking out loans, we have continued to support our customers in tough times, provided they have a compelling business model. Conversely, SMEs remained loyal to Commerzbank when we received government aid in 2009 in order to maintain our corporate banking business.

## Fewer complaints

The number of customer complaints declined by around 40 percent in 2012.

about restoring customer satisfaction. That is why we equipped our employees with more authority and additional options when it comes to showing goodwill in the event of a dispute. Should direct contact not result in a solution, customers can turn to the Commerzbank customer advocate. Overall, customer complaints were down by approximately 40 percent in 2012.

The customer advisory council, which has had new members since May 2012, is also fostering the bank's move towards greater customer focus. It represents customers' interests by holding regular meetings and workshops at which it discusses ideas and recommendations relating to improving and developing products, advisory services and other services. ■

## Through thick and thin with our corporate customers

Commerzbank is Germany's leading bank for small and medium-sized enterprises (SMEs). Supporting employment and the economy in this way brings with it a special responsibility. Fairness, competence and, as a corollary of these values, customer satisfaction guide us here just as much as they do in private banking. For example, we avoid particularly risky investment options for our customers. We also assist our customers with their financial management so that they can focus entirely on their operational business. At the same time, we use everything at our disposal to protect them against risk and help them during crises.

One of the main topics on which we are giving advice in 2013 is the Single Euro Payments Area (SEPA), which brings together the European payments markets. The transitional period for phasing out the existing national payments processes and formats in the eurozone countries ends on 31 January 2014. A customer survey conducted in February 2013 found that three quarters of companies had not yet dealt with the SEPA changes. We are fulfilling our responsibility to provide information through our dedicated website, a special newsletter and an extensive test & migration suite, plus a high number of advisory meetings with individual customers.

### Convinced customers

Our customers appreciate Commerzbank's competence, as underlined by a customer satisfaction survey in 2012 in which approximately 7,000 corporate customers rated us as excellent. Of those surveyed, 90 percent said they would definitely or probably continue to work with us – an even higher proportion than in previous years – while 80 percent would actively recommend the bank to others. Conducted by market research institute TNS Infratest, the survey attributed the high level of customer satisfaction to the good standard of advice, flexibility and proactive and individual customer care.

These results were backed up by the 2012 cash management survey organised by international trade journal Euromoney (October 2012). In this survey, 16,000 finance managers from more than 110 countries were asked about the performance and quality of banks' cash management and – as in the previous year – the Mittelstandsbank segment was rated one of the leading banks in the Best Domestic Cash Manager Germany category.



› Customer advisory council  
[www.commerzbank-kundenbeirat.de](http://www.commerzbank-kundenbeirat.de)



### Competent international support

Corporate customers particularly value Commerzbank for its foreign trade expertise. When it comes to processing export payments and letters of credit for exports, we are one of the leading financial institutions in the euro area. Nowadays, even small enterprises are increasingly doing business in non-European countries in order to capitalise on sales opportunities in markets outside the largely stagnant eurozone. They receive support from the 11,000 members of staff working in our branches, representative offices, subsidiaries and affiliates in more than 50 countries as well as from a global network of correspondent banks. In 2012, we made particularly strong inroads with small enterprises whose local or regional bank cannot offer international business services that are as closely aligned as ours with the requirements of this segment.

According to an Infratest study, around a quarter of export-oriented SMEs believed that conditions were not favourable for setting up international operations at the start of 2013. This study, which we commissioned as part of our “UnternehmerPerspektiven” initiative, put questions to, among others, 4,000 owners and managing directors of SMEs in Germany as well as 145 respected economists. They reported that the main difficulties were a lack of legal certainty, trade barriers and currency risk. At the same time, 85 percent of those surveyed called for the stepping up of foreign trade outside the European Union. These companies’ expansion plans therefore involve a number of risks, although Commerzbank offers expert advice in this area.

Dipl.-Ing. MBA Lutz Goebel, Commerzbank customer

## “Banks must flag up problems”

**Mr. Goebel, what is expected of an SME-oriented bank today?**

It must offer me competitive conditions and its lending decisions must be transparent – in other words, it needs to be able to explain the reasons behind these conditions. I also need personal continuity in the account manager assigned to me, a long-term relationship based on trust. After all, a bank should not “abandon ship” if the company gets into difficulties.

**Given the sales crisis in the eurozone, many SMEs are now trying to gain a foothold in Asian or American markets directly, without starting off in Europe. However, they can face all kinds of unknown risks as a result. Do you expect banks to provide advice on such matters, too?**

I think it’s great that the banks are offering advice, in addition to the worldwide network of

German chambers of commerce. And Commerzbank is clearly in a strong position in many markets. But it is not only Asia where you have to consider the risks. Even the United States has entirely different rules in areas such as product liability and warranties, not to mention customer care, where many services are expected to be free of charge. The situation is different to the one with which we are familiar in Germany.

**What about countries with unstable or corrupt governments? How can companies avoid involuntarily contributing to environmental pollution or human rights violations?**

That’s a very important matter. If banks can use their business experience to make important recommendations to us, then so much the better. Banks must flag up any problems of which they become aware. ■



Dipl.-Ing. MBA Lutz Goebel is Managing Director of Henkelhausen GmbH & Co. KG in Krefeld, President of the Family Businesses – ASU association and a customer of Commerzbank.

### Future prospects for Africa

Our activities abroad are not limited to our banking operations and the operations of our customers. We are also committed to fulfilling our social responsibility. In 2012 and 2013, we supported selected SOS Children's Village projects in Ghana and Liberia as part of the "Africa – Big Five" campaign through which the Financial Institutions operating unit in the Mittelstandsbank segment intends to expand corporate banking in Africa. Donations of €100,000 were used to buy state-of-the-art IT equipment for schools and to install photovoltaic systems in the Children's Villages. With 500 banking customers and 250 institutional customers, Commerzbank is the biggest German-speaking bank for corporate banking in Africa. For example, we handle 11 percent of all euro payments originating in Africa. ■

## Making the switch to renewable energy sources

One of the Mittelstandsbank segment's main fields of activity is the advancement of renewable energies. This sector has become increasingly important since Germany's decision to abandon nuclear power and the subsequent shift in the country's energy policy. Thanks to its Center of Competence for Renewable Energies (CoC RE) in Hamburg, Commerzbank has been one of the world's largest providers of funding for renewable energies for over 25 years. The CoC RE's core business is the provision of finance for wind farms and solar

"Our customers have told us in many advisory meetings that they are happy to be looked after by a bank that thinks like a bank for corporate customers and not like an investment bank – in Germany and abroad."



**Markus Beumer**, Member of the Board of Managing Directors of Commerzbank AG with overall responsibility for the Mittelstandsbank segment

parks operated by institutional investors, municipal utility companies, energy conglomerates and private investors. Commerzbank supports the funding of such plants through non-recourse project finance in Germany and abroad.

### Opportunities for investing in renewable energies

We give institutional investors, such as insurers and pension funds, the chance to participate in the funding of large-scale investment projects in renewable energy on the basis of portfolio or individual transaction models. One of these innovative models is the €87 million Green Loan Fund platform, which was launched in 2013 and is set to be expanded in the future.

In February 2013, our subsidiary Commerz Real Fonds Beteiligungsgesellschaft mbH (CFB) launched its fifth closed-end solar investment fund: the "CFB-Fonds 180 Solar-Deutschlandportfolio V" is investing in eight solar power plants on the former Templin military airbase in Brandenburg. We expect this fund – like its four sister funds – to perform far better than planned, not least because its launch in autumn 2013 means high remuneration rates were secured under the German Renewable Energy Sources Act (EEG).



### Sustainability for investors

Sustainability is becoming an increasingly important factor for banking. Commerzbank has been offering its customers bespoke asset management involving investments in ethically sustainable securities since mid-2013. To conduct the individual sustainability analyses, we have teamed up with one of the most experienced partners in the market, oekom research AG. This ratings agency continually assesses the conduct of around 3,000 companies from 52 countries in terms of ethics and sustainability. Asset managers at Commerzbank use the resulting vast

collection of data to generate a tailored risk/return profile for each customer.

Since mid-2013, institutional customers have also been able to invest in a sustainability-oriented, open-ended special real estate fund from the bank J. Safra Sarasin. This group of customers, which includes church-run organisations among others, increasingly demands sustainability in asset management, which is why we have added an endowment fund "Catella-Multitenant-Stiftungsfonds" to our product portfolio.





**Shift in German energy policy**  
We are a major partner for the construction of renewable energy generation plants.

## Center of Competence

Our Center of Competence Renewable Energies is one of the largest providers of finance for renewable energies worldwide.

Our pioneering role in environmental matters was also confirmed by Bloomberg Markets' ranking of the world's top 40 green banks in 2012. In 2013, Commerzbank climbed into the top 20 for the first time. One of the main factors in our good rating was our commitment to renewable energies.

### **Emissions trading: strong demand for advice**

Commerzbank remains one of the leading players in the trading of European emissions permits. Although a new, legally binding agreement had not been reached in the international climate negotiations by mid-2013, significant progress has been made at national level. In 2013, emissions trading was launched in California,

while pilot projects began in various Chinese provinces. Other countries are developing similar solutions, including Australia, Brazil, Mexico, South Africa and South Korea. Nonetheless, the market is plagued by uncertainty, especially in Europe. This led to a substantial rise in the number of customers requesting advice in 2012 and 2013.

### **Funding of sustainable technologies outside Germany**

Commerzbank also encourages the use of sustainable technologies in the fast-growing markets of Latin America. For example, Commerzbank Financial Institutions and Inter-American Development Bank are together making US\$ 200 million available to Brazil's Banco Itaú in 2013. This money is earmarked for projects throughout Latin America involving renewable energies, improvements in energy efficiency and environmentally friendly production engineering. Further loans of this kind are being examined. ■

# Trust: What do customers expect?

Bank customers are an ambivalent species. On the one hand, most of them are satisfied with their own bank. And empirical research and the overall trend indicate that the relationship between the two is improving again. German bank customers are among the most loyal in the world. At the same time, however, their trust in financial service providers is at an all-time low. **By Hans-Jürgen Kräh**

During the financial crisis of 2008 and 2009, their trust in the banks declined like never before – only 42 percent of investors are still willing to rely on their advisor's recommendations. Psychologically speaking, customers now perceive themselves to be "above" the banks and the banks' advisors but, systemically, they continue to depend on them. They have to en"trust" their money to the banks even though the necessary trust in fact no longer exists. Whereas the Germans once trustingly went to their banks to make use of a full range of services, today they are increasingly walking away from the relationship: a growing number of customers are looking for a new partner for their money, with more than five million people switching their bank accounts every year.

Satisfaction and trust are therefore two very different animals. While satisfaction is a prerequisite for trust, it is not the only requirement. If there is a lack of trust, even a generally satisfied customer will be willing to battle through the red tape involved in moving their bank account. Given the uncertainty that currently prevails, the very least that people want is a trust-based relationship with their bank. Restoring this trust is a major task without clearly defined boundaries.

The problem with trust is its latency. Trust can neither be ordered nor purchased, nor can it be demanded or constructed. You either have it or you don't. Trust is formed in interactive situations –

such as when customers meet with their advisors in thousands of branches every day. It is based on the characteristics that



**Hans-Jürgen Kräh** is head of financial market research at TNS Infratest in Munich.

customers ascribe to their advisors, above all competence and integrity. Customers want to be given guidance because of the complexity and wide range of available banking products. They want things to be made simpler, preferably by an advisor who communicates with them as an equal partner.

This means that expectations are crucial. Do I have sufficient trust in the expertise and goodwill of my advisor to expose myself to the risk? Ultimately, trust is only needed where the person doing the trusting has more to lose than to gain – they

are the one risking a loss! And bank customers have a lot to lose: their savings, a nest egg for their children's education or funds for their retirement: in the worst case, a substantial proportion of their financial livelihood. This was revealed by the crisis many times over.


As there is no alternative to using a bank, customers look for one that will "serve" them and that they can trust. They want modern banking combined with traditional values. Today, they expect excellent customer care and a reduction in complexity. Availability and convenience are also important. Although technological innovation must not be neglected, it is less of a priority overall. Customers are comparatively indifferent to performance-driven products.

If a bank's own customers – and interested members of the public – place their trust in the bank, it will establish a good reputation. And a good reputation helps the bank to avoid losing customers. But more importantly, it also makes the bank more appealing to prospective new customers who have stopped trusting their current bank. Customers seek out highly regarded brands, especially when it comes to their finances. Professional reputation management is therefore one of the main challenges for banks, along with offering suitable products and services. They need to convey an impression of competence and integrity and to demonstrate these qualities on a consistent basis. ■









Management and employees

# Modern leadership, responsible management

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Looking ahead to the future – this is the objective that guides human resources activities at Commerzbank. The focus is just as much on the opportunities for employees as on the development of the bank as a whole. We use creative ideas to maintain this balance between different perspectives and expectations.





#### Human resources

Working for Commerzbank gives free rein to employees' creativity.

Continuity and focus on the future take on a special role in HR during periods of upheaval. Besides eliminating uncertainties, we also need to boost employee motivation and commitment. We firmly believe that, despite changes to the workforce, Commerzbank is an employer of choice because of its diverse development activities, training and continuing professional development (CPD) opportunities, performance-based pay, above-average employee benefits and – last but not least – its corporate culture: Commerzbank is known for the particularly responsible and collaborative way in which it treats its staff.

The task of Group Human Resources is to cooperate with other areas of the bank in order to increase Commerzbank's competitiveness. To this end, we use state-of-the-art HR tools that enable our managers to always deploy the right number of employees with the necessary skills where they are needed. After all, we know that the bank's performance depends heavily on the capabilities and long-term commitment of its employees.

#### Launch of Commerzbank Academy

High-quality training and development provides the foundations for our HR activities. At Commerzbank, skills training starts with recruitment. Our marketing work aimed at schoolchildren is a way for us to find young talent for the future. But it also includes training on how to apply for jobs, thereby helping them to prepare for the world of work. In this context, we use social networks such as [www.probiereich-aus.de](http://www.probiereich-aus.de) and exhibit at trade fairs. We also support the Boston Consulting Group's Business@school initiative, which helps pupils in their final years of school to gain practical experience of financial matters (read more about our initiatives for schoolchildren on pages 40 and 77).

Our skills training and CPD activities have been grouped together in the Commerzbank Academy since last year. It offers a broad spectrum of opportunities for all employees, from foundation-level and specialist skills training to specific career paths for managerial, project-based and specialist roles. A course on the basics of banking provides an insight into the banking business for those employees who do not have a financial role at Commerzbank. It also gives employees who are switching to a different job within the bank an overview of other departments. The two-module course was taken almost 4,800 times in the first twelve months after its launch in April 2012. It also includes an in-depth unit on sustainability, offering information on the five spheres of activity in this area: governance, market and customers, environment, employees and society. We also established a specialist career path in the summer of 2013. It sets out clearly structured development opportunities for all those who are not interested in project-based or management careers.

The Commerzbank Management Programme (CMP), part of the Commerzbank Academy, equips employees with the skills they need to become managers. This programme also saw the launch of several new activities in 2012, such as preparatory workshops and opportunities to practise and to share experiences with other participants. Employees now start this skills training only once the decision to appoint them to a management position has been made, i.e. not until they definitely need the training.

Our employees can also prove their leadership skills on the Management Experience programme, in which managers-to-be are temporarily appointed to management positions that are vacant, for example due to parental leave. During this period, they receive support from mentors every step of the way. For their part,



› Self-Assessment  
[www.probiereich-aus.de](http://www.probiereich-aus.de)

managers on parental leave receive a guarantee that they will be able to return. They can also stay up to date through the Keep in Touch programme. This programme is not only available to managers: eligible employees – male and female – are given a part-time contract for 10 or 20 percent of their normal working hours so that they can attend training courses or maintain contact with their departments in other ways. Our Keep in Touch programme goes above and beyond our legal obligations in Germany.

### Promotion of diversity

Our employees are a highly valuable asset, irrespective of their gender, age, nationality, religion, world view and sexual orientation, or whether they have a disability or not. This diversity has a positive impact on motivation, innovativeness, performance and atmosphere in the workplace. Global Diversity Management is a platform that we created in 2012 to enable six regional diversity councils to run our diversity activities in the bank, including at international level.

Increasing the proportion of women in management positions remains an important area of activity. At the end of last year, 24 percent of management positions at Commerzbank in Germany were filled by women – one of the highest levels among the DAX companies – while the proportion in our international operations was 25.7 percent. The target for 2015 is 30 percent worldwide. Commerzbank Mentoring is another key tool alongside the Keep in Touch and Guaranteed Return after Parental Leave programmes that will help us to achieve this target. Under this scheme, members of the Board of Managing Directors and people at the second and third management levels are assigned one or two mentees for a year. Half of the mentees should be women. The first year of the programme, during which 353 mentors supported a total of 573 mentees, ended in September 2012.

The advancement of women in their careers at the bank also promotes the objective of improving employees' work-life balance. In 2012, for example, we again increased the number of crèche and kindergarten places that we make available. Since mid-2012, we

have offered not only childcare in crèches but also places in 13 different kindergartens and have expanded the care available outside term time. The second year of after-school care for children at primary school began in 2012, ensuring they are looked after and fed once the school day has finished.

We are also promoting diversity in the bank by actively supporting employee networks. "Arco", the gay and lesbian network, celebrated its tenth anniversary in 2012. The women's network "Courage" expanded its international presence, staging its second global conference in London. Fathers working at Commerzbank in Frankfurt and Hamburg met for lectures, opportunities to exchange experiences and workshops.

After winning the Max Spohr Award in 2010 for its commitment to homosexual employees, Commerzbank hosted the award ceremony again in 2012. It also

"As an international company, we enshrine the principles of diversity and run diversity programmes at every site across the Group. That is why we have set up six regional diversity councils that cover Germany, London, western Europe, eastern Europe, New York and Asia. Representatives from these councils meet at least twice a year to discuss what action to take regarding diversity issues they consider to be important. The current focus and the priority set by the Board of Managing Directors is how to promote more women to management positions and how demographic change might impact on individual sites in future. In addition, each council deals with topics that are specific to them because each region has its own challenges. It is also important that there is personal dialogue so that the councils can learn from one another. After all, we don't want to keep having to reinvent the wheel!"



Barbara David, Head of Diversity Management

received the Total E-Quality Award for equal opportunities in human resources policy for the sixth time.

### WikIdee: rewarding creativity

Besides cultural diversity, another way of generating creative input in the bank is targeted ideas management. We launched WikIdee in September 2011 as an inhouse online platform for collecting and discussing suggestions for improvement. WikIdee gives employees the chance to play a greater role in improvements than in the past and ensures that the ideas submitted, and their status, are more transparent. More than 550 of the 5,252 ideas collected in 2012 were put into practice. The discussions held by employees on the platform resulted in approximately 9,000 comments and almost 60,000 ratings of the ideas submitted. Our previous online suggestions portal, ComIdee, has now





#### Childcare

In recent years, Commerzbank has considerably expanded the childcare that it provides for employees' children.

been migrated to WikIdee. This means that suggestions for improvement can be submitted directly to the relevant department or can be developed by discussing them with colleagues. Around 40,000 bank employees currently have access to WikIdee, which was initiated under the auspices of Group Human Resources and the "Excellence" programme (cf. page 22).

In March 2013, the Ideas Management Centre of the German Institute for Ideas and Innovations Management awarded WikIdee the accolade "Best Ideas Management 2013" in the banking and insurance sector. The expert judges were particularly impressed by the opportunity to discuss and rate ideas on an online platform. They also highlighted the high level of acceptance enjoyed by ideas management among employees and managers. ■

## Well looked after – and not just financially

Any organisation seeking to attract and retain motivated and committed people has to offer the right package of financial and non-financial incentives. For most people, earning money may be the main reason for going to work. But for our employees, there are also other factors involved, such as promotion opportunities and company benefits.

#### Progressive remuneration and benefits

Even at Commerzbank, however, discussions about compensation and performance incentives begin with money. That is why we were particularly pleased about a development that occurred in 2012. In order to comply with the European Banking Authority's (EBA) sudden raising of capital requirements, we developed a programme of variable remuneration paid out in shares. This programme was taken up by 90 percent of eligible employees. This high take-up rate shows the level of commitment staff feel towards the bank.

At Commerzbank, the package of financial and other benefits is particularly wide-ranging. As part of total remuneration, we offer staff a wide range of company benefits. These range from a pension scheme, employee recognition scheme and transport benefits to technology and insurance. In addition, managers can thank their staff for showing extra commitment by giving them vouchers worth €150. Other benefits include a leasing scheme for high-value IT equipment under preferential conditions.

#### Net Promoter Score: customer satisfaction pays dividends

In 2012, Commerzbank changed its remuneration system for sales staff in the Private Customers segment. Customer satisfaction has become a significant assess-

#### New management remuneration principles

In mid-2013, Commerzbank, Deutsche Bank, DZ Bank, HSBC Trinkaus & Burkhardt and HypoVereinsbank undertook to create an ethical framework for management remuneration. They issued a joint policy paper in which they made a commitment to performance-based and value-oriented leadership. In future, managers' performance assessments and pay will be based not only on business targets but also on ethical aspects of their conduct. Essentially, the objective is to make remuneration systems transparent and to eliminate inappropriate incentives. The process was facilitated by the Wittenberg Centre for Global Ethics.

ment criterion. Now it is not just about the extent to which income and growth targets are met, but the extent to which customers are satisfied with the service they receive from their branch. The yardstick used here is the Net Promoter Score (NPS), an internationally accepted standard for measuring customer satisfaction. This target variable is now an integral part of flexible pay for all managers and staff in private customer sales.

### Care of family dependants

Commerzbank is also breaking new ground with the services it offers to help staff care for dependants. With the demographic changes currently taking place, the care of dependant relatives is now becoming as important an issue

as childcare. It is not just the workforce that is ageing: the proportion of those requiring care is also rising. More and more employees now need to care for family members in addition to going to work.

In the interests of accommodating all the life stages that employees go through, Commerzbank is the first company in Germany to offer staff with dependent family members a programme comprising emergency care, day care and a “care check-up”. The programme is currently being run as a pilot project. This service, which is being offered in partnership with providers Pme-Familienservice and Agaplesion Group, began on 1 April 2013 and will initially run at head office in Frankfurt. The bank has already been working with Pme for some years to provide advice and referral services. Pme operates a 24-hour emergency care hotline on our behalf, provides short-term emergency home care and offers a home alarm system. Our other partner, Agaplesion, provides day care from its own premises. The administrative costs of the service are met by the bank. We reimburse the employees for their own share of the costs (i.e. the part that is not met by the care fund) for up to ten days per year.

In order to provide care, employees can also take up to six months’ unpaid leave or reduce their working hours. Then there is the bank’s policy on family-friendly working hours. For a maximum of 24 months, staff with dependants needing care can reduce their working week to a minimum of 15 hours. During this time we will pay half of the portion of the salary that the employee has foregone. So, for example, if working hours are reduced from 100 percent to

“Many of our employees are currently going through a very stressful time. Commerzbank understands that, as an employer, it must lay the groundwork for employees to stay healthy as well as remain interested in and committed to their work. It has often been ahead of, and gone further than, the lawmakers when it comes to the benefits and services that it offers so that employees can combine work and home life more easily. At the same time, however, there should not be a trade-off between salary and employee benefits – both need to be right.”

50 percent, the employee will receive 75 percent of their usual salary. At the end of the care period, the salary top-up paid during that period will be deducted from the employee’s full pay. Since September 2012, the company agreement for this scheme has also established that the bank will pay the premium for the employee’s statutory insurance during the period the employee is providing family care.



Uwe Tschäge, Chairman of the General and Group Works Council

### Health Management now certified by TÜV

Commerzbank attaches particular importance to promoting its employees’ health. From company sports to addiction prevention, staff can take advantage of a range of services. In this way we can help our staff to feel capable and motivated and to give their best at work. Our Health Management programme is constantly being updated to keep pace with the ever-changing demands of the workplace, and this is where our Employee Council on Health has a role to play. On the council, 45 employees from nearly every segment and division of the Group discuss workplace health issues of particular concern to them with the member of the Board of Managing Directors responsible for HR and the Chairman of the General Works Council. In this way, the bank can stay in close contact with its employees in relation to health issues.

Commerzbank’s Health Management programme has four areas of focus: nutrition, exercise, addiction prevention and stress management. To make employees more aware of their health, we launched Health at Commerzbank in 2011, a three-part interactive training course covering the practice and theory of good health.





## Can we be a responsible employer when we are cutting posts at the same time?

With its strategic agenda up to 2016, Commerzbank is aiming to meet the challenges of the future. The necessary restructuring of the bank involves reducing staff costs as well. Several thousand posts must be cut by 2016. Against this background, can a company still claim to be a responsible employer?

"The most important thing is how responsibly we deal with this difficult situation," says Albert Reicherzer, Divisional Board Member Group Human Resources at Commerzbank. "Job losses are not the same as redundancies. So far Commerzbank has never had to make anyone redundant. We have adopted a raft of measures to enable us to achieve the reduction in a socially responsible way."

For some time now, the whole financial sector in Germany has had to come to terms with the issue of job cuts. Current bank staffing levels have been inherited from a world that was quite different from today's. Private customers were investing more in the capital markets and using the branches much more. At the same time, banks were earning more thanks to gener-

ally higher interest rates. "Unfortunately we can't see the markets rallying any time soon," says Reicherzer.

So what can we do? Reicherzer is not in any doubt. "HR is as responsible as any other area for making a company fit for the future. In certain areas we have to lose roles in order to secure the remaining ones. At the same time, we owe it to our staff to pursue all avenues for achieving the job losses required without having to make redundancies. And that is also my own personal aim."

The new Commerzbank initiative "Perspektiven schaffen" ("Creating Perspectives") is helping to achieve this aim. Among other things, the initiative is considerably simplifying the process for filling internal vacancies with current employees. But it is even more important to offer staff new perspectives by improving training opportunities throughout the bank and highlighting clear development paths. For this is what distinguishes a responsible employer: a forward-looking HR policy that safeguards the future of the bank and of its employees. ■

And in September 2012 we launched a seminar on being a successful and healthy manager, where senior managers learn how to recognise and engage with challenges faced not only by them but also by their staff. In February 2013, the company health management programme was certified by the standards body TÜV SÜD as the first programme of its kind to be offered by a DAX company.

### **Job losses without redundancies**

In June 2013, Commerzbank and employee representatives came to an agreement on the implementation of the strategic agenda up to 2016. Essentially, this was about adapting our business model, organisational structure and costs to changed market conditions and customer needs. These committee-based agreements reached a consensus regarding the operational adjustments that needed to be made and the HR measures that would be necessary to achieve them. Together we are aiming to avoid redundancies wherever possible.

To this end, we developed a raft of measures allowing us to achieve the necessary job losses in a socially responsible manner. We provide support and advice if staff wish to pursue their careers outside the bank. We offer attractive packages and solutions for preretirement part-time employment. The principle of mutual agreement prevails in these cases: both sides must agree to any solution. And we use the internal job market to try to offer employees a new role within the bank, as a reduction in some areas has been matched by an (admittedly smaller) increase in other areas. ■



# Confidence: Courage in the face of change

Five years on from the start of the global financial crisis, people have a right to feel their confidence restored once again. We seem to have become accustomed to living in a world of bad news: unresolved (fiscal) crises of all kinds and, in banking, a misguided bonus culture and a questionable understanding of responsibility and cultural change. Are there any grounds for confidence?

By Professor Julian Nida-Rümelin

➤ If everything were to remain as it was, we certainly would have reasons to be very worried. But a recognition that our previous ways of doing things were wrong is the first step towards making changes. Philosophy teaches us that we have to start again from scratch, and that the past is no guide to the future. So says Descartes, for example, in his writing on epistemology, and Thomas Hobbes in his political theory. These are two thinkers with whom modern European thought began. According to these two philosophers, starting again means going back to first principles and using them as the basis for all future knowledge. No more vague suppositions: just precise, irrefutable knowledge. Modern science and economics are offshoots of this “rationalist” idea. It is built on trust in reason: the theoretical reason of judgement and the practical reason of decision-making.

For many years now, the finance industry has failed to pay sufficient regard to the ethical preconditions of economic success. For despite what the radical market ideologies of previous decades wanted us to believe, finance is not a morality-free zone. On the contrary, a financial sector that absolves itself of all social and moral restraints has forfeited its most important capital: trust. With the result that it will ultimately fail to achieve economic success.

If we are to begin again; if we are to have confidence and transmit this confidence via managers and staff to customers, there



Professor Julian Nida-Rümelin is professor of philosophy at the Ludwig Maximilian University of Munich.


must be change. And change involves risk. However, confidence does not come from fearful avoidance of any risk but from a belief that it can be controlled. Justifiable confidence therefore has two prerequisites: first, the certainty that life's circumstances can be shaped; and second, that in pursuing their goals, people will pay due regard to others.

Probably one of the greatest thinkers of the European Enlightenment, the philosopher Immanuel Kant, developed a theory of “practical reason”, whereby the

only maxims that should guide one in life should be those by which everyone is able to live. According to this theory, reason, freedom and duty constitute binding obligations. This is what feeds the confidence and optimism of Kant's philosophy: it is possible for humanity to behave rationally, respect the dignity of others and live freely in a democratic society. The possibility of freeing oneself from “self-imposed disenfranchisement” imbues Kant and the entire philosophy of the European Enlightenment with confidence.

This project remains incomplete to this day. In fact, it is now facing one of its biggest tests: the global financial markets must not be allowed to operate in isolation. They must be embedded within a legal, social and moral framework. The idea of influencing human behaviour on the basis of measurable criteria at the individual level is a route to nowhere, as the all-pervasive culture of competition endangers both co-operation and sustainability.

Only when a bank has learned lessons from the crisis, has shown the courage to change, scrutinised its incentive structures, and thereby proved itself to be capable of making theoretical and practical judgements – then, and only then, is a return to confidence appropriate. ■



Dialogue and society

# Socially committed and fit for the future

Commerzbank maintains many links to the social environment in which it operates. Working in partnership with politicians and trade associations, it shapes the parameters within which it operates. Through its commitment to social causes it also develops and improves the living and working conditions of the under-privileged.







➤ In its various functions as employer, taxpayer and business partner, Commerzbank plays an important role in Germany's economy. But its corporate responsibility does not stop at the economic benefits it provides. Economic benefit alone does not guarantee sustainability. We can only achieve sustainability by reducing our operational risks and taking a stand for the issues that we have identified as important for us and our environment. These include relentless customer focus, responsible treatment of our employees and a long-term commitment to environmental protection, in addition to the wider social concerns that affect our ability to live together as a community.

#### Maintaining an active dialogue

Making active corporate social responsibility a reality also involves seeking regular dialogue with internal and external stakeholders. We take part in selected initiatives that are suggested to us by external parties and host our own discussion forums. The "Commerzbank in Dialogue" series of talks deals with issues of importance to our stakeholders. In 2012, four events took place dealing with topics such as investor and consumer protection and financing the switch to renewable energy.

We maintain contact with our SME customers not just in the course of business but also, thanks to a series of events and workshops entitled *UnternehmerPerspektiven*, via a wide range of regional forums. From October to December 2012, a survey was undertaken asking 4,000 companies about the opportunities and risks of internationalisation for the SME sector. The results of the survey were widely discussed.

#### Commitment to education and sport

Social commitment has long been a part of the corporate culture at Commerzbank. In numerous projects and initiatives undertaken with partners from politics, business and civil society, we helped to solve real problems. Above all, this means overcoming the disadvantages that prevent certain groups of people from having a social and economic stake in society. Our aim is to create long-term benefits by integrating these groups of people into society in a meaningful way.

#### A new focus for education

The lack of equality in education – particularly when it comes to the transition from school into work – is bemoaned by academics, politicians and society as a whole. Around 53,000 young people in Germany are still leaving school every year without any basic qualifications – about 6.5 percent of school leavers in each year group (German Federal Statistical Office, 2012). Their subsequent path through life is often all too predictable, ending, in many cases, in unemployment.

Our new Commerzbank education mentoring programme aims to address precisely this problem. Since 2013, bank employees have been providing support for young people in danger of dropping out of school or who may not find a training place. Commerzbank education mentors guide their protégés for a year, show them new career paths and help them to appreciate their strengths and develop self-confidence. The education mentor is essentially a coach and acts as an advisor outside the young person's normal school and training environment.

The bank ensures that the mentors have the right qualifications for the task and gives them the necessary time off work. As part of a pilot phase for 2013, 40 education mentors have been deployed in the four German federal states of Berlin, Hamburg, North Rhine-Westphalia and Hessen. The programme is due



› **Commerzbank in dialogue**  
[www.commerzbank-im-dialog.de](http://www.commerzbank-im-dialog.de)

› **UnternehmerPerspektiven**  
[www.unternehmerperspektiven.de](http://www.unternehmerperspektiven.de)

› **The Prince's Trust**  
[www.princes-trust.org.uk](http://www.princes-trust.org.uk)

#### London: supporting young people

In March 2013, Commerzbank's London office began a new partnership with The Prince's Trust. The UK's leading youth charity helps young people enter, or return to, the world of work, focusing above all on the unemployed, underachievers in education and ex-offenders. We do not simply support the organisation financially: our employees also get involved directly, whether by participating in a charity cycle race, acting as a men-

tor or providing training. For example, they run workshops in which they explain how to apply for jobs correctly and how to perform well in job interviews. After the partnership was announced, around 100 employees quickly expressed an interest in joining in with one of the activities. Thirteen employees took part in the first two training workshops, which were held in July 2013 for 16 young people from The Prince's Trust.



#### Sports sponsorship

Commerzbank's focus on education also includes developing young talent as part of its commitment to mass participation sports.

## DFB junior coaches

Across Germany, more than 1,000 school-children are to be trained as junior football coaches in their own schools in the 2013/2014 school year.

to be rolled out to other federal states in the autumn of 2014. Various local youth initiatives already in operation have been chosen as partners for the programme.

#### Sponsorship is more than marketing

At Commerzbank, sponsorship is not just about increasing brand awareness and sales. It's about targeted commitment to make a positive difference to people on the ground. As well as classic sponsorship, we are principally involved with youth work and the promotion of regional clubs and associations.

#### Qualifying as a trainer

Vocational training for young people is also an important part of the DFB Junior Coach project that the German Football Association (DFB) is providing, with Commerzbank's support, as a new pillar of its trainer qualification programme. As part of a project begun in April 2013 at a pilot school in Mainz, school children aged 16 and over are being trained at their own school to be youth coaches. In the 2013/14 school year, over 1,000 pupils in more than 50 schools throughout Germany are expected to take part. The ultimate goal is to extend the project to 200 schools. The aim of the DFB is to address the challenges that lie ahead for football in Germany, such as demographic change and the decline in volunteering. Commerzbank is concen-



> **DFB junior coach initiative**  
[www.sponsoring.commerzbank.de](http://www.sponsoring.commerzbank.de)  
 > DFB-Premium-Partner







**A long-standing partnership**  
Girls' and boys' teams have been competing for the coveted Drumbo Cup for almost 40 years. We have awarded the "green ribbon" to clubs that demonstrate excellence in nurturing young talent since 1986.



training on other types of training. We provide pupils with a grounding in the principles of finance and use mentoring, work placements and advice on making job applications to prepare them for the world of work. In June 2013, the first 20 DFB junior coaches from Mainz's Otto Schott secondary school attended the Backstage job application workshop on the 49th floor of Commerzbank headquarters in Frankfurt. Part of our trainer education, these measures are laying the foundations for young people's personal and professional development.



› Malteser Social Day  
[www.malteser-socialday.de](http://www.malteser-socialday.de)

#### Encouraging staff involvement

Whether it's through the Commerzbank education mentor programme or one of our other social initiatives, our staff are very keen to get involved. The bank supports corporate volunteering by providing facilities and allowing staff time off work. One of our biggest projects was to take part in the Malteser Social Day in 2012 and 2013, which saw a total of around 1,000 Commerzbank employees take part in 80 projects at 20 locations across Germany. For two years running, we were the biggest group of participants in the event. Commerzbank employees repaired and redecorated schools, nurseries and other childcare facilities, helped out at social care institutions and cared for the needy. Many of the bank's employees also devoted their own free time to good causes throughout the year, donat-



ing not just their time but also the expertise and specialist skills they have developed through their work at the bank. This is something we find so inspiring that we encourage employees to share their experiences. We frequently feature the best examples of volunteering in our staff magazine and encourage others to follow suit. We also launched a special employee volunteering portal on the Commerzbank intranet in April 2013. The portal is the central source of information for those who are already doing voluntary work or are planning to do so in the future. Staff can use it to provide details of their projects and initiatives and to make targeted appeals for support. Those intending to volunteer and looking for a suitable project can also use it to search for an opportunity. The portal also features Commerzbank corporate volunteering projects as well as other potentially interesting organisations and initiatives that work with volunteers. News and information about volunteering round off the range of features offered by the portal.

### Long-running projects

Corporate citizenship is at its most sustainable when conceived for the long term. We take pride in the fact that some of our projects have been running for decades. In March 2013, we organised the 39th Drumbo Cup in Berlin, Germany's largest indoor football tournament for primary schools. Around 100,000 pupils have taken part so far. For 27 years we have been organising the "green ribbon" competition, which rewards clubs that demonstrate excellence in nurturing young talent. Run in conjunction with the German Olympic Sports Confederation, it recognises sports clubs who have made a special contribution to youth work and the management of young talent in the arena of competitive sport. Another long-running project is the Commerzbank environmental internship, which has been running for over 20 years and

has been commended by UNESCO. During this time over 1,300 interns have demonstrated their commitment to the environment in the unique national parks, nature reserves and biosphere reserves that take part in the programme.

## Long-running projects

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### Foundations promoting the common good

The Foundation Centre provides an administrative framework for Commerzbank's charitable foundations. It comprises the Commerzbank Foundation, Dresdner Bank's Jürgen Ponto Foundation, Dresdner Bank Dresden Cultural Foundation and six social foundations.

The largest of these, with an endowment capital of around €58 million, is the Commerzbank Foundation. For over 40 years it has been involved in charitable projects in science, culture and the community, with the emphasis on Germany. It supports exemplary Germany-wide initiatives and aims to make a sustainable contribution to the ability of society to face the challenges of the future. It works with various experienced partner organisations in the fields of science and



› **Environmental internship**  
[www.umweltpraktikum.com](http://www.umweltpraktikum.com)

› **Sponsorship**  
[www.sponsoring.commerzbank.de](http://www.sponsoring.commerzbank.de)

› **The green ribbon**  
[www.dasgrueneband.com](http://www.dasgrueneband.com)



### Donations to flood relief

The severe flooding along the Danube, Elbe and Oder rivers in June 2013 caused significant damage to private property and the economy. Only some of the losses are covered by insurance or government loans. That is why Commerzbank called on its employees and customers for donations. The joint appeal with the disaster relief charity Johanniter Unfallhilfe generated funds of €300,000, including donations from Commerzbank's Board of Managing Directors. A large part of this amount came from employees and customers. Johanniter Unfallhilfe is predomi-

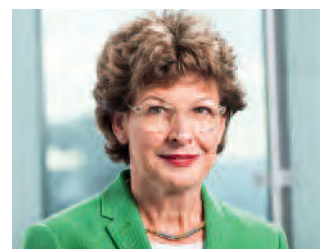
nantly using the money to renovate childcare centres and facilities for the elderly. Affected employees who wished to play an active role in flood defence measures were given time off work during the period of flooding. In addition, Commerzbank made €25 million available for an instant loan programme, in which each household could borrow €10,000 without interest or repayments for the first six months that they then repay free of charge over a five-year period.

learning (e.g. the Dresden University of Technology and the Frankfurt School of Finance & Management) and in culture and the arts (the German Foundation for Monument Protection, the Reading Foundation (Stiftung Lesen), the St. Thomas Choir in Leipzig and selected museums). Our partners in the social sphere include those offering famine relief, the SOS Children's Villages, the German Stroke Association and the Senior Experts Service.

Three new members of the board of trustees – Birgit Mandel, Jan-Hendrik Olbertz and Petra Roth – took office on 1 January 2013. Birgit Mandel, professor of cultural management at the University of Hildesheim in Germany, will mainly be responsible for cultural issues at the Commerzbank Foundation. Jan-Hendrik Olbertz, President of the Humboldt University

of Berlin, will be bringing his expertise to bear on the foundation's activities in the field of academia. Petra Roth, former mayor of Frankfurt and until 2011 president of the German Association of Cities (Deutscher Städtetag), is responsible for the Foundation's social projects. Klaus-Peter Müller, Chairman of the Supervisory Board of Commerzbank, has been Chairman of the Board of Trustees of the Commerzbank Foundation since January 2001. Martin Blessing, Chairman of the Board of Managing Directors of Commerzbank, is also a member.

**Doris Schwerdtfeger**, Divisional Head of Corporate Affairs and Head of the Commerzbank Foundation Centre, examines the dilemma:



## Is it really responsible to invest in social projects when the money is needed elsewhere?

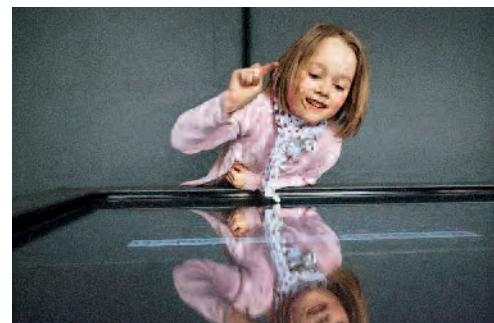
In times of strict cost management, is it really responsible to invest in projects that have no direct benefit for the bank? Should we not be directing all available resources towards strengthening the company's profitability?

"That's a fair question," says Doris Schwerdtfeger, Divisional Head of Corporate Affairs and Head of the Commerzbank Foundation Centre. "But it doesn't take account of the whole picture." Firstly, the Foundation's assets are independent of the ups and downs of Commerzbank AG's commercial success. But even when it comes to Commerzbank AG's own corporate citizenship projects, Schwerdtfeger does not see them in this light: "It's far more useful to ask whether these projects are actually making a difference." When, for example, Commerzbank provides support for vocational training for socially disadvantaged young people, that is of indirect benefit to the economy and there is less strain on the social security system. So we can achieve a positive result without having to spend a lot of money.

"Moreover," says Schwerdtfeger, "we can't simply behave as if certain social problems don't concern us. Commerzbank is part of society and, as such, we rely on it to work properly." If the bank supports sport, for example, then at the same time it is also strengthening values such as team spirit and fairness, which are also valued qualities in everyday life, and not least in business. And employees, too, expect the company they feel a part of to make a contribution.

In this way, corporate citizenship pays dividends through a combination of reputational issues, long-term economic benefit and a sense of identification among employees. "Of course, there are still many problems that need solving," Schwerdtfeger concedes. For that reason, Commerzbank intends to focus even more strongly on areas where there is a real need. What could these be? "Access to education, for example," says Schwerdtfeger, "tackling disadvantage, not only in the major urban centres ..." It's a long list. ■





#### Foundation Centre

Getting young people interested in classical art, such as the paintings on show in Frankfurt's Städel Museum, is one of the many projects supported by our foundations.

Since 1977, the Jürgen Ponto Foundation, which has a capital endowment of €11.8 million, has focussed on the sponsorship of young artists in the fields of music, literature and the visual and performing arts. The Dresdner Bank Dresden Cultural Foundation, which has an endowment capital of €7.7 million, has been promoting new ideas for Dresden's cultural and academic life since 1991.

Current examples of the foundation's sponsorship activities can be found on page 76 onwards as well as online.

#### Social foundations helping employees in need

The initiators of Commerzbank's six social foundations are all former executives of Commerzbank or Dresdner Bank who have passed away. The foundations are named after them and have been endowed with their assets.

Five of these funds support current and retired employees of the bank and their immediate family members who are in difficulties due to unavoidable circumstances such as serious illness. The purpose of the sixth fund, the Max Grunow Foundation, is to provide financial assistance to trainees at Commerzbank Berlin who find themselves in need. Over the decades, a self-help network has grown up on the principle of "by employees for employees". Today it is coordinated by the Commerzbank Foundation Centre in Frankfurt. ■



› **Foundation Centre**  
[www.commerzbank.com](http://www.commerzbank.com)  
 > Our responsibility

**Sandra Schojohann**, Commerzbank sales advisor

## "The best present"

No one is immune to falling on hard times, which can often come out of the blue. Such was the case with Sandra Schojohann, a former Commerzbank sales trainer. In October 2010 she was diagnosed with a rare form of motor neuron disease (MND), which attacks the nervous system and leads gradually to the paralysis of the body's muscles. In order to remain mobile and work from home in her current role as a sales advisor, she needed an electric wheelchair, for which only a small part of

the costs were met by her health insurance company. The Dr. h.c. Hugo Zinsser Foundation, one of Commerzbank's six social foundations, met the remaining costs. "I got the approval in November 2012 on my birthday," says Sandra. "That was the best present I could have had."



**Sandra Schojohann**,  
Commerzbank sales advisor

# Sustainability performance in accordance with GRI

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› Global Reporting  
Initiative  
[www.globalreporting.org](http://www.globalreporting.org)

The following part of the 2013 Corporate Responsibility Report is based on the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). Complementing the preceding chapters, it contains facts and figures relating to our financial, environmental and social performance. All of the GRI performance indicators that are required to reach the highest application level (A) are included and have been arranged by subject. The GRI has confirmed this reporting level in a statement (page 85). The GRI index (pages 80 to 83) indicates which parts of the report (preceding magazine section and this performance section) relate to the GRI performance indicators and the ten principles of the UN Global Compact.



# Strategy and programme

Over the past few years, we have created structures and cross-functional management processes to enable us to implement sustainability as one of the bank's

guiding principles: we want our corporate responsibility to be upheld in every area of the bank and at every level of our business operations.

## CR milestones

### 1989–2004

- 1989** › First initiative: "Women in modern banking"
- 1990** › Adoption of a Group Mission Statement containing a commitment to socially responsible and environmentally compatible progress
  - › First major German bank to appoint an environmental officer
  - › Launch of the Commerzbank environmental internship in partnership with the German National Parks Association
- 1992** › Commerzbank becomes a founder member of the UNEP Finance Initiative
- 1996** › Publication of the first Environmental Balance Sheet Report
- 1997** › The bank moves into the world's first "green" skyscraper (based on a design by Lord Foster)
- 1999** › "Kids & Co." emergency childcare service for employees established
- 2000** › Beginning of Commerzbank's commitment to microfinance banks in south-east Europe
  - › Initiative for the promotion of voluntary work in sport established
- 2001** › Center of Competence Renewable Energies (CoC RE) established
- 2002** › Participation in the Carbon Disclosure Project (CDP) for the first time
- 2004** › Involvement in the development of a code of conduct for debtor countries and investors in order to avoid crises in emerging markets

### 2005–2008

- 2005** › Establishment of the Reputation and Sustainability Management department
  - › Publication of the first Corporate Responsibility Report
  - › "Kids & Co." childcare centre opened
- 2006** › United Nations Global Compact signed
- 2007** › Founder member of the "Finance forum: climate change" initiated by the German Ministry of Education and Research (BMBF)
  - › Introduction of a code of conduct for all employees at Commerzbank
  - › Start of forums between banks and NGOs on topics such as woodpulp/forestry, sustainable funding decisions, biofuels and nuclear energy
- 2008** › Electricity supply to Commerzbank head office entirely converted to certified green energy from the region
  - › "Diversity Charter" signed
  - › Development of guidelines and policy papers, e.g. on human rights, armaments deals, conflict zones, fossil fuels, power generation, indigenous peoples, agriculture and forestry, palm oil, mining and toxic substances

### 2009–2011

- 2009** › Commerzbank climate strategy adopted with a target of reducing CO<sub>2</sub> by 30 percent between 2007 and 2011
  - › Certification of the Environmental Management System in accordance with ISO 14001
  - › "Commerzbank in dialogue" events launched
  - › Emissions trading integrated into the range of products and services offered by Commerzbank
- 2009–2010** › Establishment of a customer advisory council and appointment of a customer advocate
- 2010** › Group Environmental Committee established
- 2010–2011** › Start of the Board of Managing Directors "Women in management positions" project; joint declaration by DAX 30 companies committing to the advancement of women managers
- 2011** › First carbon-neutral Annual General Meeting held
  - › Launch of a sustainability portfolio for private investors and structured sustainability screening for all equities recommended by Commerzbank

# Strategy

We want to nurture the sustainable development of our bank and the environment in which we operate. And we do so by setting up efficient management systems, offering sustainable products and services, raising employees' awareness and establishing close ties between Commerzbank and society. To ensure we take a systematic approach in these areas, we have defined five spheres of action. They constitute our key challenges but also provide a framework for how we respond to these challenges. We have examined the risks and opportunities in each of the five spheres of action because

we want to use everything at our disposal to minimise the risk for our business and reputation while, at the same time, seizing opportunities to equip ourselves for the future.

As a key player in economic development both in Germany and internationally, we can influence how economic processes are structured. Our involvement in certain forms of interaction in the financial sector and in the real economy depends, to a significant extent, on whether they are tolerated by society.



## › Governance

[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

[commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

> Governance

## › Market and customers

[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

[commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

> Market and customers

## › Environment

[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

[commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

> Environment

## › Employees

[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

[commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

> Employees

## › Society

[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

[commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)

> Society

### Governance

In the governance sphere, particularly as far as Reputational Risk Management is concerned, we closely follow discussions on such matters as agricultural commodities, human rights and armaments deals. Building on those discussions and taking account of the different points of view, we then decide on our own position and define the limits and conditions of our business activities accordingly (cf. page 10 onwards).

### Market and customers

The growing importance of sustainability also presents opportunities for us as a bank: the shift in German energy policy and reduction in CO<sub>2</sub> emissions call for new technologies and products that entail substantial capital investment. Moreover, interest in sustainable forms of investment is growing among private and, above all, institutional customers. In the market and customers sphere, we are developing products and services that take the change in demand for finance and new opportunities for returns into account, e.g. finance for companies and projects at every stage of the renewable energies value chain (cf. page 20 onwards).

### Environment

Energy efficiency is also a relevant cost factor when it comes to the running of Commerzbank. In the environment sphere, we constantly look for ways of reducing energy consumption even further. Our climate strategy includes ambitious targets for reducing our carbon footprint, which we intend to achieve by consuming less energy and offsetting unavoidable CO<sub>2</sub> emissions (cf. page 16 onwards).

### Employees

In the employees sphere, we examine the impact of demographic change, such as the increasing average age of the workforce and the resulting need for lifelong learning. We constantly work on solutions relating to health management, diversity and continuing professional development (cf. page 30 onwards).

### Society

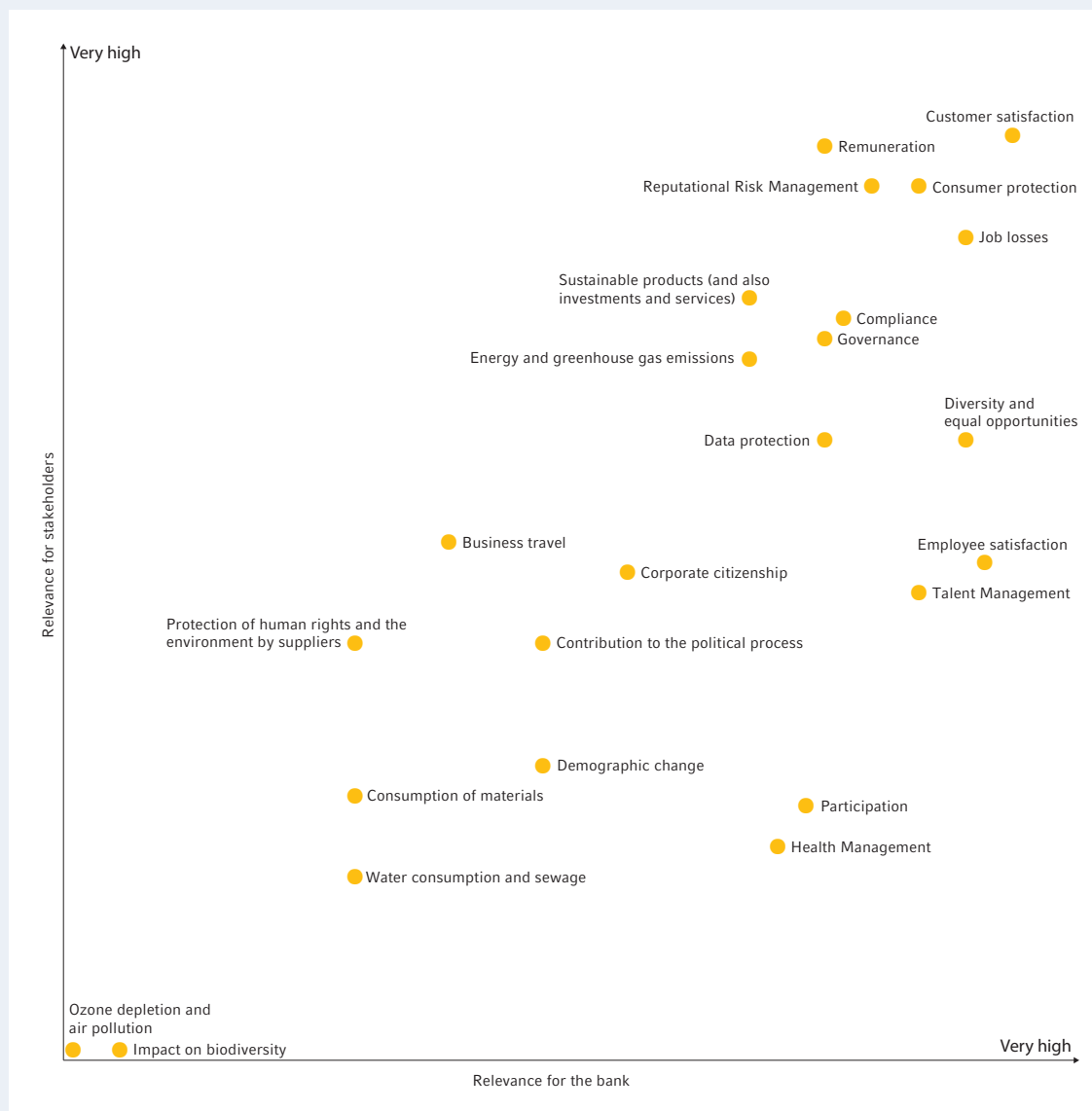
We also see sustainability and corporate responsibility as an opportunity for us to have a positive social impact. After all, our trainees, employees and customers are all part of the society to which we belong. That is why we contribute to the common good in all kinds of ways in the society sphere, for example through educational, sports and corporate volunteering activities (cf. page 38 onwards).

# Materiality analysis

Our five spheres of action involve a wide range of sustainability issues whose importance to Commerzbank varies – for different reasons, including how they are viewed by society. We reviewed the relevance of these issues for our stakeholders and the bank again in 2012. The results were aggregated to form a materiality matrix. This matrix plays a substantial role in the advancement of our corporate responsibility strategy.

The issues that were of equally high importance to us and our stakeholders in 2012 mainly related to the market and customers sphere of action, for example customer satisfaction and consumer protection. By contrast, environmental issues were less significant because our banking operations have a comparatively low impact on the environment.

Commerzbank's 2012 materiality matrix





# CR programme

Our CR programme sets out our objectives and action steps for improving our contribution to sustainable development. It provides information about the status of ongoing action and lists any new objectives.

The reworking of our CR programme and consolidation of our activities within the five spheres of action represented major steps towards implementing

a more extensive, overarching CR strategy, following on from the reorganisation of sustainability management in 2012 and the update to the materiality analysis. The CR programme now only includes our main objectives and no longer involves individual activities that are already covered by regular processes outside the CR strategy.

Objective	Action	Deadline	Status
<b>Governance</b>			
<b>Enhance the company-wide CR strategy</b>	Analysis of the bank's sustainability management as a basis for the strategy	December 2012	<ul style="list-style-type: none"> <li>› Update the materiality matrix</li> <li>› Revise the CR programme in order to manage the CR strategy during the reporting period</li> </ul>
	Implementation and extension of the Reputational Risk Management concept	Ongoing	<ul style="list-style-type: none"> <li>› Process 2,600 queries in 2012</li> <li>› Continue to produce a quarterly reputational risk newsletter aimed at increasing employee awareness</li> <li>› New exchange-traded investment products based on food staples have not been issued since November 2011</li> <li>› Since August 2012: assurance that third-party securities products in private customer business also no longer include staple foods</li> </ul>
<b>Systematise and intensify stakeholder dialogue</b>	Organise "political breakfast" and "Commerzbank in dialogue" events at the liaison offices in Berlin and Brussels	Ongoing	<ul style="list-style-type: none"> <li>› Four "Commerzbank in dialogue" events held in 2012 on topics such as consumer protection and the shift in German energy policy</li> <li>› Nine "political breakfast" events held in 2012</li> </ul>
<b>Strengthen the compliance culture</b>	Implementation of a cross-organisational function to coordinate, facilitate and report on compliance with the main legal requirements	End of 2013	<ul style="list-style-type: none"> <li>› Analyse the regulatory requirements</li> <li>› Prepare for implementation, using the processes and structures already in place</li> </ul>
<b>Strengthen group-wide compliance measures</b>	Compliance with sanctions/embargoes	Ongoing	<ul style="list-style-type: none"> <li>› Implement the "Guideline on Sanctions Due Diligence for Documentary and Guarantee Business" globally, focusing on documentary business</li> <li>› Carry out benchmarking of the systems for transaction monitoring in cooperation with SWIFT</li> </ul>
	Prevention of money laundering	Ongoing	<ul style="list-style-type: none"> <li>› Strengthen customers' duties of care</li> <li>› Introduce a new system to screen existing customers for new negative information</li> <li>› Collect data about the beneficial owner for existing customers (requirement of the German Act on Optimising the Prevention of Money Laundering, GwOptG)</li> </ul>
	Fraud prevention	Ongoing	<ul style="list-style-type: none"> <li>› Incorporate the revised Anti-Fraud Policy into the Global Compliance Manual as part of the 2013 update</li> <li>› Start the next two-year wave of training for 46,000 employees</li> <li>› Implement the minimum absence requirement for all employees and managers in mid-2013 (cf. page 56)</li> </ul>
	Securities compliance and investor protection	Ongoing	Advise and support business units on implementing the Investor Protection and Capital Markets Improvement Act (AnsFuG): <ul style="list-style-type: none"> <li>› Registration of the approx. 12,000 Commerzbank investment advisors</li> <li>› Establishment of processes for showing customer complaints related to the German Securities Trading Act (WpHG) brought in connection with advice</li> </ul>

Objective	Action	Deadline	Status
<b>Market and customers</b>			
<b>Increase the focus of core business on customer needs and sustainability</b>	Range of new sustainable and innovative products and services	Ongoing	<ul style="list-style-type: none"> <li>› Bespoke asset management based on sustainable investments has been available to private and corporate customers since mid-2013</li> <li>› A sustainability-oriented, open-ended special real estate fund "Catella Multitenant Stiftungsfonds" has been available to institutional customers since mid-2013</li> </ul>
	Continuation and intensification of cooperation with the customer advisory council	Ongoing	<ul style="list-style-type: none"> <li>› New members and focus for the customer advisory council, strengthening of dialogue with specialist managers, involvement in the early stages of the development of products and services</li> <li>› Work with the customer advisory council on the new strategy for private customers, develop further measures to improve the quality of advice</li> </ul>
	Transformation of sales management in the Private Customers segment	2012	<ul style="list-style-type: none"> <li>› Make customer satisfaction a key performance indicator in sales</li> <li>› Implement a customer-focused advisory process (use of the Customer Compass in advisory meetings)</li> <li>› Extend the advice provided to cover products from third-party providers, e.g. in home finance</li> </ul>
	Regular dialogue with SMEs at UnternehmerPerspektiven events as well as with economics experts and representatives from trade associations, academic institutions and politics	Ongoing	<ul style="list-style-type: none"> <li>› Twelfth UnternehmerPerspektiven study "Good Debts, Bad Debts: Entrepreneurship in Uncertain Times" with 18 main branch events and around 35 regional dialogue events</li> <li>› The results of the 13th study "New Markets, New Opportunities – Internationalisation as a Driver of Growth" were presented in April 2013, accompanied by 18 main branch events and 35 regional dialogue events as well as an event in Zurich</li> </ul>
	Emissions trading – continuation of the bank's pioneering role in actively managing carbon risks on behalf of its customers	Ongoing	<ul style="list-style-type: none"> <li>› Maintain position as one of the leading players in the trading of European emissions permits</li> <li>› Respond to increased demand from customers for advice</li> </ul>
	Expansion of corporate and project finance along the whole of the renewable energies value chain	Ongoing	<ul style="list-style-type: none"> <li>› Adjust the original objective of doubling the portfolio by 2012 on the basis of a modified business model ("originate and manage"). The objective is now long-term, sustainable growth. In 2012, the volume of the CoC RE's credit portfolio was approx. €5.1 billion</li> <li>› 18 loans with a total volume of almost €28 million as part of SolarLight in 2012</li> </ul>
<b>Environment</b>			
<b>Systematically expand environmental protection activities</b>	Consolidation of the existing environmental management system in line with the latest standards	Ongoing	Successful renewal of the Environmental Management System's certification in accordance with ISO 14001 in 2013
	Provision of information and action to increase awareness among employees; communication on environmental topics	Ongoing	Raise awareness about economical and eco-friendly paper consumption
<b>Extend the implementation of the group-wide climate strategy</b>	CO <sub>2</sub> reduction of 70 percent by 2020 (from base year 2007)	2020	Formulation of a new climate target by the Group Environmental Committee because the old climate target (CO <sub>2</sub> reduction of 30 percent between 2007 and 2011) was reached earlier than planned
	Supply of green electricity to the whole of Commerzbank	End of 2012	Obtain certificates of origin for green electricity generated from hydropower at all premises in Germany by 2015
	Offset for unavoidable carbon emissions	Ongoing	2012 Annual General Meeting was made climate-neutral

Objective	Action	Deadline	Status
<b>Environment</b> <i>(continued)</i>			
	Communication and dialogue on climate protection	Ongoing	Hold an event on the environment and sustainability ratings at Commerzbank's head office for members of the environment and sustainability network of the Rhine-Main environment forum (UFO) and interested guests
<b>Use energy-efficient technology in operations and transport</b>	Increased use of particularly energy-efficient technology	Ongoing	As part of LEED certification, check the energy efficiency of electronic equipment purchased and make improvements as required
	Increased energy efficiency in business transactions, including vehicle policy based on energy efficiency for company cars and pool cars	Ongoing	<ul style="list-style-type: none"> <li>› Reduce average fuel consumption to 5.5 litres/100km (according to data from the manufacturers)</li> <li>› Launch of the car-pooling scheme in mid-2013, which was developed in cooperation with students from Darmstadt Technical University</li> </ul>
<b>Expansion of supply and demand for environmentally friendly products in the bank</b>	More stringent requirements and controls on the standards for sustainable procurement	Ongoing	Preferred use of eco-friendly hotels for business trips since 2013
<b>Employees</b>			
<b>Implement the new strategy in a socially responsible manner</b>	Implementation of reduction in employee numbers without compulsory redundancies; interim targets to be achieved by 2016	2016	Reach agreement with employee representatives on reducing headcount under the new strategy
<b>Continuously improve Talent Management</b>	Closer alignment of continuing professional development activities with employees' needs	Ongoing	<ul style="list-style-type: none"> <li>› Launch of the Commerzbank Academy in July 2013, which brings together all inhouse skills training and CPD activities</li> <li>› Implement a specialist career path (Commerzbank expert programme, CEP) alongside the project-based and managerial career paths</li> </ul>
	Expand collaborative activities with universities to facilitate contact with young talent, especially in view of demographic change	Ongoing	Expand 34 university liaison programmes, including six at European universities outside Germany, with a stronger focus on disciplines that do not appear directly relevant to banking
<b>Increase the range of opportunities for improving work-life balance</b>	Information for female employees on maternity leave and for any employees opting for part-time work under parental leave regulations	Ongoing	Continue bank-wide programmes such as Keep in Touch, Guaranteed Return after Parental Leave and Management Experience
<b>Create a multi-faceted corporate culture by fostering the diversity of the workforce</b>	Expansion of the commitment to diversity and ongoing support for diversity networks	Ongoing	<ul style="list-style-type: none"> <li>› Set up a global diversity council and six regional diversity councils</li> <li>› Establish a women's network at various sites outside Germany (London, New York, Singapore, Prague)</li> <li>› Host the Max Spohr Award with IBM to promote equal opportunities for gay and lesbian employees</li> <li>› Achieve 70 percent participation in diversity training (from the Board of Managing Directors to the fourth management level)</li> </ul>
	Support for professional women with segment-specific targets by 2015	2015	<ul style="list-style-type: none"> <li>› Comply with the plan for recruitment quotas by 2015</li> <li>› Launch of a broad-based mentoring programme involving approx. 550 mentees</li> </ul>
	Target: 30 percent of management positions to be held by women (voluntary commitment by the DAX 30 companies)	2015	<ul style="list-style-type: none"> <li>› Arrange career days and "business lounges" at which women can discuss career opportunities with senior management</li> <li>› Organise dialogue events on women and careers at the bank for all segments and with different formats</li> </ul>



Objective	Action	Deadline	Status
<b>Employees</b> <i>(continued)</i>			
<b>Promote and maintain the health of employees</b>	Close dialogue between the bank and employees with regard to health issues	Ongoing	<ul style="list-style-type: none"> <li>› Close dialogue between the bank and the Employee Council on Health</li> <li>› Give a presentation on health management at the bank at events for managers</li> </ul>
	Expansion of the range of services offered as part of a fully integrated health management system	Ongoing	<ul style="list-style-type: none"> <li>› Extend the range of seminar topics</li> <li>› Take greater account of regional requirements in health management at the bank (lectures, introductory events, seminars etc.)</li> <li>› Continue to offer inhouse sports and the ComGames</li> <li>› Obtain certification for health management at the bank</li> </ul>
<b>Support employees who provide care for family members</b>	Introduction of new care modules at head office	April 2013	Implemented; to be expanded throughout Germany if feedback is positive
<b>Ascertain what employees think are the strengths and weaknesses and draw up improvement measures</b>	Regular and systematic employee surveys, use of results to make improvements	Ongoing	Survey held in spring 2013 as scheduled (participation rate: 68 percent)
<b>Society</b>			
<b>Fulfil corporate social responsibility, above all in the areas of education and sport</b>	Commerzbank environmental internship offered to 50 or so students each year in a German national park, biosphere reserve or nature reserve	Ongoing	<ul style="list-style-type: none"> <li>› The Commerzbank environmental internship was presented at Schloss Bellevue to mark Environment Week in 2012</li> <li>› Improve the internship by entering into new partnerships with the Universities of Flensburg and Freiburg as well as the German Sport University Cologne</li> </ul>
	Promotion of general financial education in society	Ongoing	33 Commerzbank employees volunteer as school mentors as part of the Business@school initiative
	Continued support for sports as a premium partner of the German Football Association (DFB) and a partner of the German Olympic Sports Confederation (DOSB)	Ongoing	<ul style="list-style-type: none"> <li>› Support for the DFB Junior Coach project since April 2013</li> <li>› Support for young talent in competitive sports in cooperation with the DOSB as part of the "green ribbon" project, which has been supporting clubs that demonstrate excellence in nurturing young talent since 1986</li> </ul>
	Corporate citizenship focused on equality of access to education	Ongoing	<ul style="list-style-type: none"> <li>› A dedicated mentoring programme for helping young people make the transition from school to work (Commerzbank education mentors) was initiated in mid-2013; Launch of pilot phase involving 40 education mentors in Hessen, North Rhine-Westphalia, Hamburg and Berlin</li> <li>› Collaborate with the Joblinge programme and the START foundation</li> <li>› Offer career guidance, training on how to apply for jobs, work experience and traineeships</li> </ul>
	Donations following disasters	Ongoing	<ul style="list-style-type: none"> <li>› An appeal for flood victims in Germany collected a total of approx. €300,000, including donations from employees and customers</li> <li>› A special loan programme with a volume of €25 million was launched in June 2013 for those affected by flooding</li> </ul>
<b>Expand the corporate volunteering programmes</b>	Establishment of a central platform for employees wishing to volunteer	Ongoing	The employee volunteering portal was launched on the intranet in May 2013
	Involvement in the Malteser Social Day across Germany	Ongoing	430 employees at 17 sites took part in 34 projects as part of the 2012 Malteser Social Day. This was the first time that Commerzbank employees had got involved in this event organised by the Malteser medical aid charity. The 2013 Malteser Social Day involved 500 employees at 18 sites and 46 projects

# Governance

Commerzbank's efforts to make its business operations sustainable go beyond simply complying with applicable laws and external regulations. It has also made voluntary commitments, such as to the UN Global Compact, and introduced various internal policies that provide the bank's employees with clear guidance on how to conduct themselves. These guidelines relate to the management of not only the bank's economic performance but also its non-financial performance. The main guidelines are:

- › ComWerte,
- › Business Conduct Guidelines,
- › Corporate Responsibility Guidelines,
- › Policies and positioning on sustainability-relevant issues,
- › Commerzbank environmental guidelines,
- › Procurement guidelines, which include ethical guidelines.

Our aim is to embed sustainability and compliance in Commerzbank's culture and in the actions of all employees. Moreover, we expect responsible, sustainable behaviour from our business partners. We will not enter into or continue any business relationship that does not comply with applicable laws.

## Organisational changes

To achieve these aims, the corporate responsibility functions at Commerzbank were reorganised with effect from 1 January 2013. They are managed by Group Communications.

- › The **Corporate Responsibility** department is responsible for the coordination and strategic focus of the bank's economic, environmental and social sustainability performance. It is also in charge of corporate citizenship activities. The department maintains a dialogue with stakeholders and is responsible for internal and external communications on corporate responsibility.

- › The **Reputational Risk Management** department analyses transactions and products, above all to check whether they are compatible with our sustainability principles. It also works closely with the bank's traditional risk management functions and liaises with non-governmental organisations on relevant issues.

- › The **Foundation Centre** coordinates the activities of Commerzbank's various foundations: Commerzbank Foundation, Jürgen Ponto Foundation, Dresdner Bank Dresden Cultural Foundation and six social foundations.

To prevent fraud, we have created a "central office for the prevention of miscellaneous criminal activity" as part of compliance management. Another new body, the bank's internal anti-fraud network, develops and implements measures to prevent the risk of fraud caused by fraudulent activity. It also helps to identify fraudulent activity, responding in an effective and coordinated manner to any economic crime discovered.

## Reputational Risk Management

Criteria relating to sustainability and integrity are integral elements of our risk management. The management of reputational risk throughout the group ensures that environmental, ethical and social concerns are factored into the business activities of Commerzbank (cf. page 12 onwards).

Reputational Risk Management is a department within Group Communications and is therefore the responsibility of the Chairman of the Board of Managing Directors. It forms part of our overall risk strategy and is subject to standard internal and external checks, such as those conducted by the internal audit function and regulators. The reputational risks identified and dealt with by the department are included in a quarterly report on non-quantifiable risk to the Supervisory Board's Risk Committee.



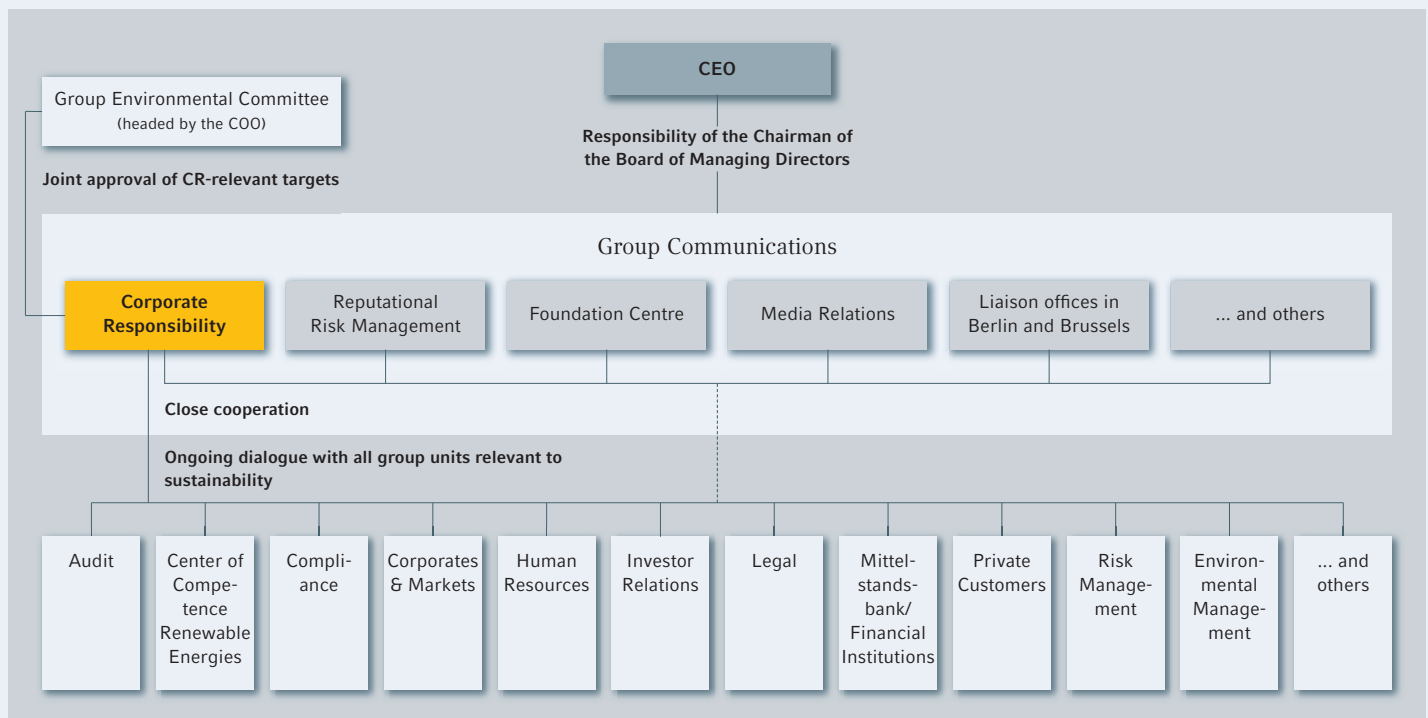
› **Corporate culture**  
www.nachhaltigkeit.commerzbank.de  
> Employees

› **Compliance**  
www.commerzbank.com  
> Group

› **CR strategy and management**  
www.nachhaltigkeit.commerzbank.de  
> Governance

› **Environmental policy**  
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> Environment

### Organisational structure of corporate responsibility at Commerzbank



In 2012, we thoroughly examined around 2,600 individual transactions and products to ascertain whether they were compatible with existing sustainability principles, including those relating to human rights. On average, approximately 10 percent of incoming enquiries are rated negatively, the consequences of which may extend as far as rejection of the transaction or even termination of the business relationship. This is the case for transactions linked to nuclear power stations or controversial weapons, for example.

#### Climate change risks

We intensively analyse and carefully assess loans and business relationships where aspects of climate change play a significant role. This can also lead to the transaction in question being rejected.

We analyse funding for CO<sub>2</sub>-intensive types of energy particularly carefully. In the case of fossil fuels (crude oil, natural gas, coal), Reputational Risk Management undertakes a range of investigations including how a company operates its oil and gas fields or coal mines and whether it treats high conservation value areas and UNESCO World Heritage sites appropriately.

The techniques used to extract natural resources come under especially close scrutiny. Given the debate on the carbon footprint of the extraction of oil from tar sand and the contentious issues surrounding similar processes for extracting oil and gas, Reputational Risk Management has decided to avoid all financial transactions connected with such techniques.

#### Compliance

Commerzbank's business activities are rooted in the confidence of customers, shareholders and business partners that all employees will act in a proper and legally compliant manner. Among other tasks, the compliance management function focuses on preventing, identifying and tackling economic crime, in particular corruption.

#### Detailed risk analysis

Potential compliance risks are assessed and mitigated on the basis of a risk analysis. It is conducted once a year for the entire group, covering all group companies, branch offices and other affiliated or dependent companies in Germany and abroad that are considered to be



compliance-relevant. The analysis also encompasses fraud risk – particularly corruption – and evaluates the segments' activities to monitor such risk. In 2012, 62 of the bank's units were included in the risk analysis.

The bank regularly reviews the preventive measures derived from the risk analysis and supplements them if necessary. This review also takes account of information obtained in the course of regular dialogue with other companies and experts. Commerzbank analyses identified and suspected cases in order to improve its preventive measures and to rule out the possibility of future risk – particularly corruption risk – as far as possible.

#### **Zero-tolerance approach**

Commerzbank explicitly does not tolerate corruption or other criminal acts carried out by employees. We take a zero-tolerance approach to any crimes that are discovered. Any employee who is found guilty of such offences must bear the consequences under criminal, employment and civil law.

Because it is committed to being a fair player in the marketplace and to fighting corruption, Commerzbank observes the OECD Guidelines on Multinational Enterprises. It has also signed up to the ten principles of the UN Global Compact (which include fighting corruption) and to the principles of Transparency International.

#### **Comprehensive training**

The programme of compliance training that all employees have to complete every two years is one of the cornerstones of fraud prevention. The web-based training (WBT) draws employees' attention to compliance issues and raises their risk awareness. Corruption has been one of the main topics covered by the programme since 2010. The target groups for training are derived from the job descriptions in the different units. More than 46,000 Commerzbank employees regularly receive such training.

#### **Minimum absences as a protective measure**

Another effective way of strengthening internal control and protective measures is to ensure that staff are absent from the workplace for a minimum of ten consecutive working days per year. This rule was tightened in 2013 and is now applicable to all employees and managers. Technical restrictions are in place in trading and trading-related units to ensure that employees cannot access banking systems or use the bank's technical equipment during their absence.

#### **Penalties**

In the 2012 reporting year, we did not become aware of any material penalties or fines incurred by Commerzbank. Nor were any material fines imposed on Commerzbank in connection with the provision and use of Commerzbank products and services or as a result of non-compliance with environmental laws.

#### **Data protection**

The Head of Division, Group Security simultaneously holds the position of data protection officer at Commerzbank. The employees in the Data Protection department, which is the responsibility of the data protection officer, monitor compliance with all data protection requirements, guidelines and procedures. The bank ensures that personal data and customer data is protected by technical and organisational measures in accordance with the law. In addition to controls on physical access to data centres, the protection measures include:

- › access controlled by passwords, authorisation systems and other mechanisms,
- › restrictions on the forwarding of data, for example by encryption of transmission channels,
- › checks on data entry by the logging of access to data,
- › checks on contracts by the monitoring and control of outsourcing contractors,
- › availability controls based on business continuity management (BCM) measures,
- › separation controls achieved through separate storage of databases used for different purposes.

In 2012, 178 complaints were received regarding the protection of customer data. In most cases, the complaint was that the data had fallen into the hands of an unauthorised third party. Of the complaints received, around 85 percent were considered to be justified. 4 percent were made by regulatory authorities directly or at the behest of customers. Some of those cases were also due to customer data being obtained by unauthorised third parties. Other reasons were incorrect information about reversals of direct debits, allegedly unnecessary collection of data and enquiries about logging of online banking transactions.

One of Commerzbank's key objectives in the future will be to continue to ensure that customer data are protected, both in Germany and abroad. We have recently stepped up the training that we provide on data protection. One of the most important initiatives is a training course on data protection practices, which is run by the Commerzbank Academy.

### **Business partners**

Commerzbank also expects its business partners to be honest and to comply with the law. It therefore includes integrity clauses in its agreements with suppliers, service providers and other contractual parties that oblige them to prevent corruption and report any instances of corruption that they identify. Breaches of these integrity clauses are always followed up and may lead to immediate termination of the contract.

### **Opportunities to exert influence**

Commerzbank's shareholders, customers, employees and other stakeholders are able to submit criticism and recommendations to the Board of Managing Directors at any time. The bank's quality management unit has primary responsibility for dealing with any written submissions from customers. Shareholders may put forward their opinions and questions for the Annual General Meeting by letter or email, or may present them in person. Comments and responses are given directly by the Board of Managing Directors or Supervisory

Board. Shareholders can have a say in the matters discussed at the Annual General Meeting by submitting counter-motions or supplementary motions for the agenda. An extraordinary general meeting may also be convened at the request of shareholders.

Commerzbank staff have a substantial right of codetermination as far as the composition of the Supervisory Board is concerned: half of its members are elected by employees. A Conciliation Committee has been formed in accordance with section 27 (3) of the German Codetermination Act, but it did not need to hold any meetings in 2012.

# Market and customers

In the interest of creating a sustainable operating policy, Commerzbank attaches great importance to customer satisfaction and long-term customer loyalty. We aim to act as a fair and professional partner to our customers. In order to understand their needs and interests, we conduct regular customer surveys. These form the basis for product improvements, which are often carried out in consultation with representatives from our customer advisory council.

We take into account sustainability issues both in the analysis of financial risks and in the choice of investment products. The range of sustainable products and services will be further expanded in the future. We help our private and corporate customers to invest in renewable energies and make meaningful use of them.

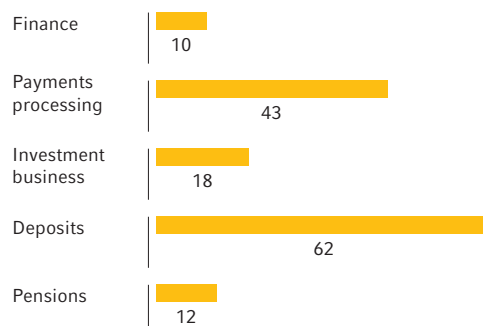
In the interest of our customers and to facilitate long-term planning, we regularly hold discussions with national and international regulators, supervisory authorities and decision-makers in the political arena so we can work towards clarity and consistency in the regulation of products and services.

## Customer structure

Commerzbank has one of the most extensive branch networks of any private bank in Germany. Our approximately eleven million customers are served by 10,000 advisors in 1,200 branches. In our Private Customers segment, high-net-worth individuals and small enterprises are treated as business customers. The Mittelstandsbank segment particularly includes SMEs with annual revenue between €2.5 million and €500 million and major enterprises with annual revenue of more than €500 million. The bulk of our volume of lending to customers in our German SME and corporate customers & international divisions is posted in Germany. The rest is primarily attributable to western Europe as well as Asia and eastern Europe.

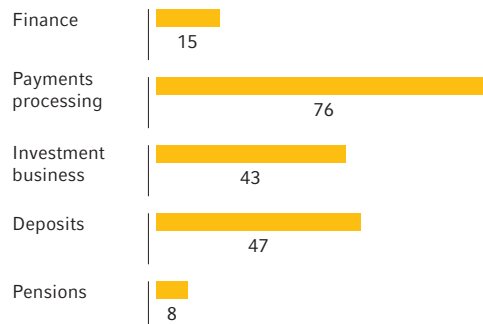
## Product usage: private customers

2012, %



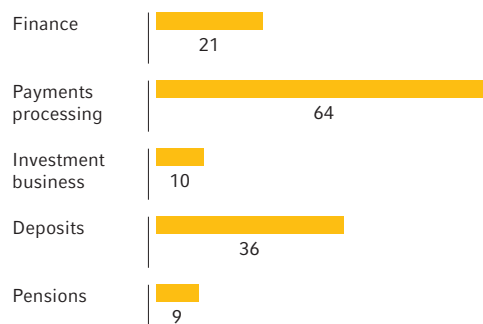
## Product usage: wealth management

2012, %



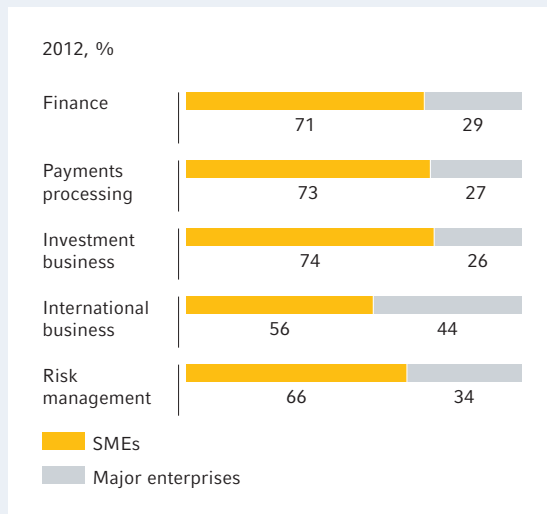
## Product usage: business customers

2012, %





#### Breakdown of Mittelstandsbank product and service portfolio by size of customer



#### Sustainability in lending and in project and export finance

A decisive factor for Commerzbank's lending is and always will be the ability to repay. In line with our sustainable operating policy, our corporate customers' prospects for delivering a sustainable business performance will be factored into their credit rating in future. These prospects will be evaluated using their forecasts and the outlook for their sector as a whole.

Around 90 percent of our cash-flow-oriented project finance and structured finance is transacted in Europe. In these cases we carry out due diligence to ensure that national environmental regulations are observed. We commission external experts to provide an opinion on the possible environmental risks. Only in exceptional cases does Commerzbank finance projects in developing countries. If we do finance such projects, we work with either supranational bodies such as the International Finance Corporation (IFC) or national export credit insurance agencies. Therefore, the standards applied by the supranational institutions or national export credit insurance agencies (OECD Common Approaches) automatically apply.

When it comes to processing export payments and letters of credit for exports, Commerzbank is one of the leading institutions in the eurozone. For the export of durable capital goods, the Mittelstandsbank segment supports its customers, who are predominantly based in Germany and other European countries, by offering loans or credits linked to the delivery of the goods. They are largely secured by guarantees provided by the exporting countries. In its assessment of the environmental relevance of transactions, the bank relies on the checks conducted in all cases by the national

credit insurer as part of the process for issuing the guarantee. In Germany, the checks are carried out by a consortium comprising Euler Hermes and Price-waterhouseCoopers AG.

#### Sustainability products in the Private Customers segment

Since 2004, Commerzbank has offered an independent and objective choice of funds. On the basis of scientifically based key indicators, we evaluate funds registered in Germany and select for our customers fund managers with above-average results. In addition, our capital markets experts carry out ongoing targeted market monitoring. In 2011, we incorporated a comprehensive sustainability check into our investment advice process. In order to be accepted into the Commerzbank sustainability portfolio, shares have to go through a three-stage selection process (cf. page 15). For our wealth management customers, we will undertake at their request a comprehensive tailored risk analysis of their securities account. The quantitative assessment includes a risk overview and the volatility range of the securities. The qualitative assessment includes the issuer risk and interest-rate risk. This analysis of the portfolio's strengths and weaknesses means we can then make recommendations backed up by facts.

Commerzbank offers its customers the opportunity to invest in solar energy companies. This includes the CFB 179 – Solar-Deutschlandportfolio 4 fund, which invests in the Düsseldorf-based HAJOLUCA Beteiligungsgesellschaft mbH & Co. Solarkraftwerke KG. For the year under review (2012), the placement volume was around €7.9 million. This equates to about 17.4 percent of the entire product class (€45.1 million).

Commerzbank also offers a range of other sustainable investment funds. Products include:

- › Sarasin OekoSar Equity – Global,
- › Pioneer Funds Global Ecology,
- › Pictet Water.

Sustainability considerations also have a bearing on other finance products aimed at our private customers. Commerzbank's home loans savings business, for example, totalled €1.98 billion in 2012, while personal pension products and insurance against risk have increased in significance in recent years. Riester pension products and the home-based Wohn-Riester product, which allows the customer to include their own home in the state-backed government pension plan, are intended to help people avoid poverty in their old age. Riester savings products at Commerzbank are currently worth a total of around €400 million. The total volume

of agreements signed in 2012 was €160 million. Commerzbank's provision scheme also includes incapacity, care and life insurance. In the area of pension provision, Commerzbank offers products with an environmental focus, such as fund-linked insurance products like Allianz RCM Global Sustainability and Allianz Global Ecotrends.

### Financing renewable energies

Commerzbank's Center of Competence Renewable Energies (CoC RE) makes it one of the world's largest providers of finance for renewable energies (cf. page 27 onwards). In 2012, the CoC RE's credit portfolio amounted to around €5.1 billion, of which €3.6 billion was in the form of project finance and €1.5 billion in the form of company finance. Broken down by technology, 66 percent of project financing went to wind energy (61 percent onshore and 5 percent offshore), 29 percent to solar energy and the remaining 5 percent to bio-energy, hydropower and other technologies.

In total, the wind, solar and bio-energy facilities financed by Commerzbank save 10,170,384 tonnes of CO<sub>2</sub> emissions every year. This equates to approximately 10 percent of all CO<sub>2</sub> emissions saved in Germany in 2012 by the use of green power.

Generating power from photovoltaic installations, especially for their own consumption, is becoming an increasingly attractive option for SMEs. Commerzbank's SolarLight product provides a streamlined, standardised process for funding installations from a volume of €250,000 upwards. Schemes are approved quickly and processed efficiently thanks to the

use of proven technology and partnerships with experienced experts. As part of SolarLight, Commerzbank offers up to 17 years' financing and includes, where possible, loans from Germany's KfW Development Bank on favourable terms. In total, 52 loans with a total volume of €57 million have been approved since the product was introduced in October 2010. In 2012 alone, 18 loans with a total volume of almost €28 million were arranged. At the end of 2012, the annual CO<sub>2</sub> saving across all projects that had received funding from SolarLight was around 24,634 tonnes.

For private and corporate customers, Commerzbank offers financing as part of various environmental and energy saving programmes. Where applicable, we may, in partnership with public-sector development banks, finance photovoltaic installations or assist with the purchase of low-emission commercial vehicles. Commerzbank offers institutional investors such as insurers and pension funds the opportunity to take on part of its portfolio in the form of a green loan fund (cf. page 27).

### Emissions trading

As one of the leading players in the European emissions trading market, Commerzbank offers its customers a professional service for managing CO<sub>2</sub> risk. In September 2011, working with the airberlin airline, we concluded the first ever deal for emissions rights for European air travel. The deal with European Union Aviation Allowances (AEUAs) was an important milestone in the development of the EU's Emissions Trading Scheme (EU ETS). European emissions trading is still the world's largest emissions market, despite the fact that in the past two years the price per tonne of CO<sub>2</sub> has fallen from €20 to €4.

### Customer satisfaction

We measure customer satisfaction among our private customers with the Net Promoter Score (NPS), an internationally recognised standard. Every month, around 14,000 customers are asked in a short telephone interview whether they would recommend their Commerzbank branch to others. In 2012, our NPS rose by 33 percentage points.

In the Private Customers segment, a new advice procedure, rigorously focused on customer needs, was introduced in 2012. The IT-supported Customer Compass guarantees consistent, structured and comprehensive advice in every Commerzbank branch (cf.

#### CoC RE portfolio overview by market

%	2010	2011	2012
Germany	65	65	61
Europe (excl. Germany)	22	22	25
North America	3	3	5
Rest of world	10	10	9

#### CoC RE portfolio overview by technology

%	2010	2011	2012
Solar	19	26	29
Wind	73	68	66
of which offshore	0	3	5
of which onshore	73	65	61
Other	8	6	5

page 22 onwards). By the end of 2012, it had been used in more than 750,000 customer meetings. Our private customer advisors had received two to three days' training on how to use the Customer Compass beforehand. In November 2012, we also introduced a satisfaction guarantee for new current accounts (cf. page 23 onwards).

A telephone survey of customers in the Mittelstandsbank segment is conducted at least once a year to gauge satisfaction with Commerzbank and its products and services. The most recent customer survey took place at the end of 2012 and canvassed almost 7,000 companies (cf. page 25).

In order to underline its importance for Commerzbank, customer satisfaction will in future be a factor in the variable pay for all sales staff working in the Private Customers segment (cf. pages 24 and 35).

### Customer complaints

Protecting our customers' financial security is one of Commerzbank's principal concerns. Commerzbank was one of the first banks to appoint a customer advocate, whose job is to protect the customer's interests and mediate between both sides for any particularly complex complaints that require further resolution (cf. page 25). In especially difficult cases, the advocate will seek the advice of the arbitration council, a group of customer representatives who also belong to the customer advisory council. In the period under review the customer advocate dealt with over 600 cases.

On the expiry of the customer advisory council's first term, which occurred during the year under review, we revised its membership and remit (cf. page 25). Its 25 unsalaried members advise the management team in the Private Customers segment and help to develop and improve products, services and processes.

The number of customer concerns and complaints in the Private Customers segment fell by 40 percent in 2012.

### Product responsibility

Commerzbank provides its customers with full and accurate information regarding the upside and downside of financial products. Our marketing material makes all the relevant information available in plain, easy-to-understand language.

We also keep a record of our advisors' meetings with customers. In addition to the Customer Compass (cf. page 22 onwards), specialist software called EVA-

Anlageberatung guides our advisors through customer meetings. This computer application produces a record of the advice provided and sends it to the customer along with all the relevant product information. During the meeting, the customer can follow all of the steps in the advisory process on the computer screen.

The new German Investor Protection and Capital Markets Improvement Act (AnsFuG) requires proof of subject knowledge for all employees involved in providing investment advice. At the end of 2012, over 94 percent of our advisors in the Private Customers segment had the necessary training and professional experience. Around 100 employees went on additional training courses. In line with regulations, all Commerzbank advisors were registered with the Federal Financial Supervisory Authority (BaFin) by 1 November 2012.

### Advice for foundations and churches

Commerzbank's foundation management unit currently provides a service to some 300 independent and affiliated charitable foundations. A wholly-owned subsidiary of the bank, CommerzStiftungsTreuhand GmbH, functions as the sponsor for the affiliated foundations. In addition to supporting day-to-day operations and proposing portfolio investments that are suitable for a foundation, Commerzbank provides comprehensive advice on the setting up of new foundations. Adhering strictly to their objectives and internal investment guidelines, the bank also advises churches and church-run institutions, for example, with regard to its sustainability-oriented products (cf. page 27).

### Best of European Business award

In March 2012 Commerzbank won the Best of European Business (BEB) award for its successful and sustainable business strategy in Africa. The award, which was handed out by international strategy consultancy Roland Berger for the seventh time, goes to German companies that implement innovative business models in Africa, are committed to sustainability, and work in partnership with African economies.



# Environment



› **Environmental policy**  
[www.nachhaltigkeit.commerzbank.de](http://www.nachhaltigkeit.commerzbank.de)  
> Environment

› **CDP**  
[www.cdproject.net](http://www.cdproject.net)

Since 2008 Commerzbank has been using an environmental management system that is ISO 14001-certified. The current focus of our efforts in this area is the reduction of energy consumption in our buildings and business travel. At 61 percent and 31 percent respectively, they account for the vast majority of our greenhouse gases (carbon footprint).

Environmental initiatives in our banking business concentrate on the financing of companies and projects concerned with the expansion of renewable energies, increases in energy efficiency and the reduction of CO<sub>2</sub> emissions (cf. page 27).

Commerzbank has laid down clear rules for conducting business in an environmentally responsible way. The updated environmental guidelines were signed off in November 2011 by the Board of Managing Directors and can be read online on our sustainability portal.

## Environmental responsibility

Commerzbank regards environmental protection as a managerial responsibility. Therefore all managers – top-down, beginning with the Board of Managing Directors – are accountable for the implementation of the environment targets we have agreed. Environmental protection in the bank comes under Group Services – Organisation and is led by the bank's designated environmental officer. Those responsible for environmental protection in the bank liaise with all the relevant areas of the business and the general works council. They meet on a regular basis on the Group Environmental Committee. Chaired by Frank Annuscheit, a member of the Commerzbank Board of Managing Directors, the committee met twice during the period under review. Among topics discussed were the external certification of the environmental management system in 2012, preparations for recertification in 2013 and the formulation and sign-off of the bank's new climate targets (cf. page 17).

## Climate protection

Because we are a financial service provider, our environmental protection activities focus on optimising energy consumption. Facilities management and business travel are two areas in particular where Commerz-

bank can have a direct impact on the environment. Our primary objective is to reduce CO<sub>2</sub> emissions as part of our overall climate strategy. This encompasses the following four areas:

- › environmental management in the bank;
- › offsetting of unavoidable CO<sub>2</sub> emissions;
- › environmentally responsible products and services;
- › communication on climate protection.

From our climate strategy we extrapolate concrete measures whose effectiveness can be measured, among other ways, in terms of our greenhouse gas emissions.

As part of the CDP initiative (formerly known as the Carbon Disclosure Project), we improved our disclosure score by two points to 79 out of a possible 100 in 2012. However, we have yet to feature in the Carbon Disclosure Leadership Index (CDLI), which we took part in for the first time last year. The minimum disclosure score for the index is 81, which is significantly higher than last year's 73. There are two reasons for this: the overall quality level has risen; and the sample population is now larger thanks to the inclusion of Switzerland in the evaluation (now: Germany, Austria and Switzerland).

## CDP

CDP is an international charitable organisation that every year asks companies about the opportunities and risks of climate change, about CO<sub>2</sub> emissions and about their climate change targets and activities. This information is primarily used by institutional investors to make decisions on issues such as investment and insurance. The disclosure score indicates the detail and transparency of their climate reporting.

## Environmental management

The environmental management system introduced by Commerzbank AG in Germany in 2008 has been certified in accordance with the ISO 14001 standard by Det Norske Veritas (DNV). As in the previous year, all employees were covered in 2012. Recertification by DNV was completed in June 2013.

All the environmentally relevant data are requested by the Environmental Management team and then collected, analysed and quality-assured by the individual departments. Environmental Management then validates the data, uses them to calculate the resulting CO<sub>2</sub> emissions and determines the bank's carbon footprint. This, along with the way the data are assessed, is verified externally by DNV. Since 2010, this procedure has been based on ISO 14064-3.

### Energy consumption

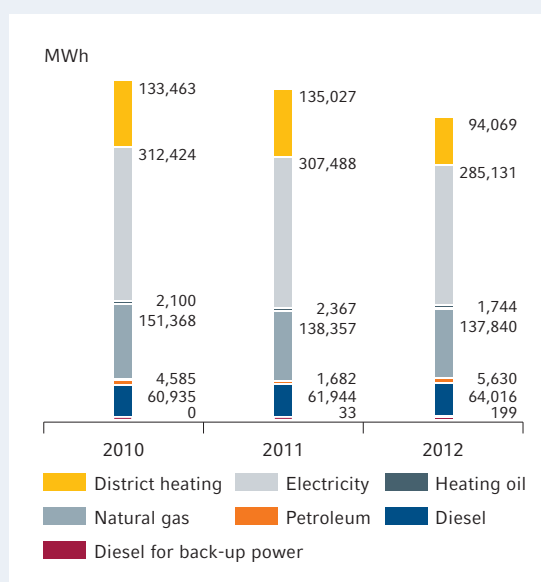
Direct consumption of fossil fuels increased by 2.5 percent on the previous year, primarily due to increased consumption of vehicle fuel. Commerzbank is keen to increase its use of district heating. Oil heating systems are gradually being replaced by less environmentally damaging techniques and now account for less and less of our energy consumption. Meanwhile branch mergers have contributed to a reduction in gas consumption.

Energy consumption in the form of both electricity and district heating declined significantly in 2012 (cf. page 64). Total indirect energy usage fell by 14 percent. In 2012, the proportion of our indirect energy usage met by green electricity was 91.8 percent (89.5 percent hydroelectric plus 2.3 percent of the fuel

mix accounted for by renewables, i.e. a weighted figure of 2.3 percent) and since 1 January 2013 has been at 100 percent.

In order to promote investment in more renewable energy power plants and thereby aid the shift in German energy policy, Commerzbank issued an invitation to tender for the supply of green electricity that is certified as originating from new hydroelectric power plants for the period 2013 to 2015. This specifies that only new facilities (generating units and power plants) be used. Repower AG will be providing certificates of origin from the hydropower plants in Norway chosen to supply the entire volume for all properties in Germany for 2013 to 2015.

### Energy consumption by source of energy



### Direct energy consumption at Commerzbank AG (Germany)

MWh	2010	2011	2012
Natural gas	151,368	138,357	137,840
Heating oil (heavy, light)	2,100	2,367	1,744
Diesel for back-up power	–	33	199
Diesel (fuel) <sup>1</sup>	60,935	61,944	64,016
Petroleum (fuel) <sup>1</sup>	4,585	1,682	5,630
<b>Total</b>	<b>218,988</b>	<b>204,383</b>	<b>209,429</b>

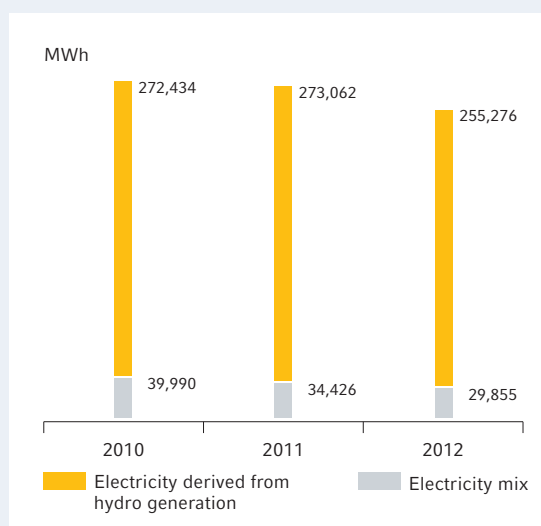
<sup>1</sup> The calculation of petroleum and diesel consumption for the vehicles is based on the business mileage proportion for bank vehicles and the consumption for all pool vehicles. The former accounted for 55.6 percent of total mileage in 2012.

### Indirect energy consumption (electricity and district heating) by Commerzbank AG (Germany)

MWh	2010	2011	2012
Energy consumption (electricity)	312,424	307,488	285,131
from hydroelectric power	272,434	273,062	255,276
from mixed-source electricity Germany	39,990	34,426	29,855
Energy consumption (district heating) <sup>1</sup>	133,463	135,027	94,069
<b>Total</b>	<b>445,887</b>	<b>442,515</b>	<b>379,200</b>

<sup>1</sup> Under the VfU 2013 standard, the standard fuel mix for heating is assumed to be the mix from a gas-fired power plant with combined heat and power.

### Proportion of electricity derived from hydro generation



Since the adoption of the new branding in 2011, Commerzbank has made an annual saving of 5.3 million kilowatt hours of electricity. In place of light bulbs and fluorescent lighting, energy efficient LEDs have been producing light for branch windows and exterior lighting. Their longer lifespan also results in reduced maintenance costs.

As part of a series of long-term tests and pilot projects, we are also trying out LEDs for our indoor spaces. As well as the strength of the light and the quality of the colour rendering, which are crucial for our employees' working environment, we are also measuring the electricity used. Commerzbank could save between 280,000 and 350,000 kilowatt hours of electricity per year in its Frankfurt head office alone. We are conducting similar tests in the self-service zone of one of our Frankfurt branches.

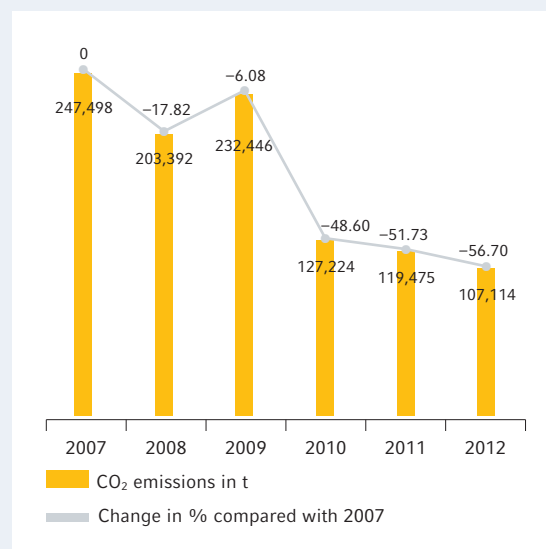
Green IT was another area where we were able to make significant savings in the year under review. As a result of converting from absorption to compressor refrigerators at our service centre in February 2012, the PUE (power usage effectiveness) score fell from 1.99 in 2011 to 1.71. Other savings included a yearly reduction of 21,188,000 KWh of district heating. The cumulative cost saving is €1,444,000. Simply put, the PUE value shows the amount of energy that is needed to cool the appliance's reference amount, where 1.0 represents ideal usage. We are continuing to pursue our goal of reducing our PUE score to 1.6 in 2013.

### CO<sub>2</sub> emissions

By 2010 Commerzbank had already achieved its goal of achieving a 30 percent reduction in greenhouse gas emissions by 2011 when measured against 2007 levels. And with a reduction of around 52 percent by the end of 2011, that goal was comfortably exceeded (cf. page 17). The reduction had reached 56.7 percent by 2012.

For our new climate target we analysed all the relevant key figures and saving potentials in order to devise further reduction measures. It is our intention to reduce our CO<sub>2</sub> emissions by a further 20 percent by the year 2020, thereby achieving a total reduction of 70 percent from 2007 levels.

Difference in CO<sub>2</sub> emissions 2007–2012



Our CO<sub>2</sub> emissions were measured in accordance with standards developed by the German Association for Environmental Management and Sustainability in Financial Institutions (VfU). Information was taken from the update of key figures carried out in April 2013.

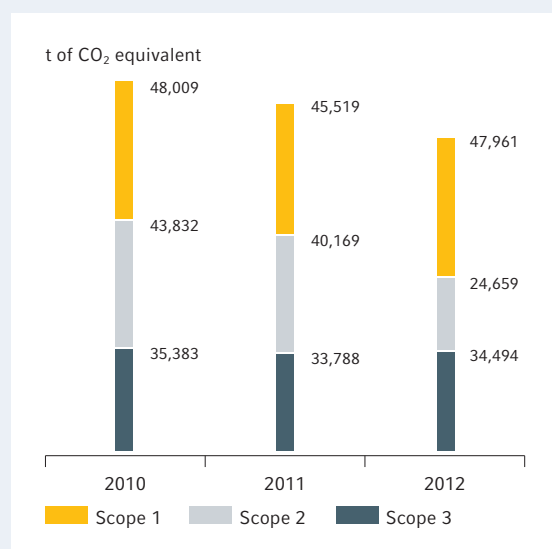
In our reporting on greenhouse gas emissions, we distinguish between the following kinds of emissions in accordance with the Greenhouse Gas (GHG) Protocol:

- › Scope 1: all direct emissions;
- › Scope 2: all indirect emissions, for example created by the production of electricity, steam or heat sourced by the company from external suppliers;
- › Scope 3: all other indirect emissions created in the area of logistics and the use of materials as well as supply and disposal. This also includes emissions that occur within service and production companies and their upstream supply chains.

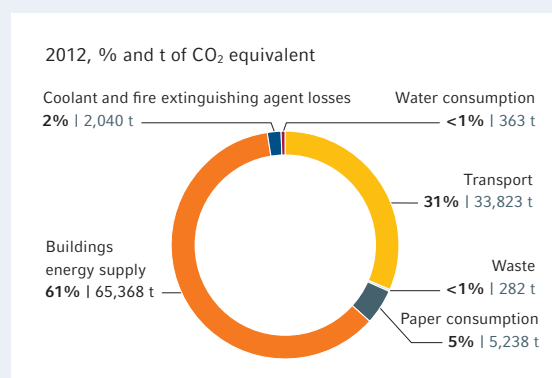
In the year under review we were again able to reduce absolute greenhouse gas emissions by around 10 percent from 119,475 tonnes of CO<sub>2</sub> (2011) to 107,114 tonnes (2012). This was primarily attributable to a reduction in scope 2 emissions thanks to energy efficiency measures and branch mergers. Another factor was reduced emissions from Germany's electricity mix because of the higher proportion of renewable energies.



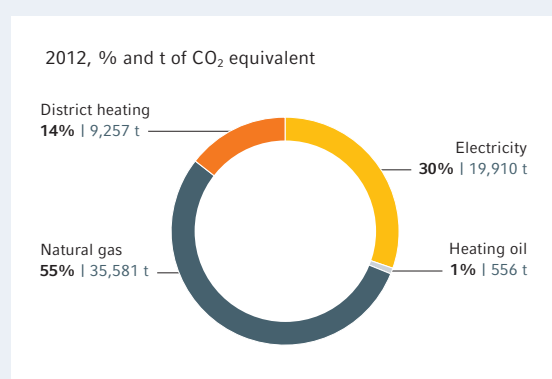
## Carbon footprint by scope



## Carbon footprint by type of consumption



## Proportion of energy sources in carbon footprint



## Direct and indirect greenhouse gas (GHG) emissions at Commerzbank AG (Germany)

t of CO <sub>2</sub> equivalent	2010	2011	2012
<b>Scope 1: Direct GHG emissions</b>			
Energy for buildings	31,293	28,732	28,504
Natural gas	30,728	28,086	27,981
Heating oil	565	637	469
Diesel for back-up power <sup>1</sup>	–	9	54
Business trips (cars)	16,716	16,787	17,417
Bank vehicles <sup>2</sup>	14,921	15,010	15,753
Pool vehicles	1,795	1,777	1,664
Coolant and fire extinguishing agent losses <sup>3</sup>	–	–	2,040
Coolants	–	–	2,040
Fire extinguishing agents	–	–	0
<b>Total for scope 1</b>	<b>48,009</b>	<b>45,519</b>	<b>47,961</b>
<b>Scope 2: Indirect GHG emissions</b>			
Energy supply	43,832	40,169	24,659
Electricity	30,699	26,882	16,898
District heating <sup>4</sup>	13,133	13,287	7,761
<b>Total for scope 2</b>	<b>43,832</b>	<b>40,169</b>	<b>24,659</b>
<b>Scope 3: Other indirect GHG emissions</b>			
Paper usage <sup>5</sup>	6,123	5,875	5,238
Energy supply	8,451	7,749	12,205
Natural gas (upstream and downstream emissions)	8,346	7,629	7,600
Heating oil (upstream and downstream emissions)	105	118	87
Diesel for back-up power (upstream and downstream emissions)	–	2	10
District heating (upstream and downstream emissions) <sup>6</sup>	–	–	1,496
Electricity from renewable energies (pre-products and conversion losses) <sup>6</sup>	–	–	3,012
Business travel <sup>7</sup>	18,961	18,912	16,406
Air travel	5,502	6,021	4,093
Rail travel	1,414	1,402	1,177
Cars (upstream and downstream emissions)	7,591	7,623	7,908
Business trips with indirect impact <sup>8</sup>	4,454	3,866	3,228
Water	449	407	363
Waste disposal <sup>9</sup>	1,399	845	282
<b>Total for scope 3</b>	<b>35,383</b>	<b>33,788</b>	<b>34,494</b>
<b>Total for scopes 1 + 2 + 3</b>	<b>127,224</b>	<b>119,476</b>	<b>107,114</b>

<sup>1</sup> A valid procedure for measuring the volume of consumption was implemented at the beginning of 2011. Emissions were therefore calculated and verified in full for the first time for the 2012 reporting year.

<sup>2</sup> The business mileage proportion of journeys made in bank vehicles was assumed at 55.6% of total mileage for 2012 and was taken into account on this basis. This is based on statistics from Germany's Federal Motor Transport Authority and Federal Statistical Office and calculations from the German Institute for Economic Research in Berlin.

<sup>3</sup> Coolant and fire extinguishing agent losses was recorded for the first time in 2012 based on the new VfU standards.

<sup>4</sup> Reduction in district heating levels due to refrigeration conversion and deployment of more efficient IT hardware (which requires less cooling) in the data centre.

<sup>5</sup> Paper consumption excluding printing obtained from external contractors.

<sup>6</sup> The current key figures take greater account of upstream and downstream emissions.

<sup>7</sup> Journeys by rail and air have reduced considerably as part of a programme to manage operating costs.

<sup>8</sup> Business trips made by private car; since 2012, also including taxi and hire car journeys.

<sup>9</sup> The fall in CO<sub>2</sub> emissions caused by waste in 2012 can be attributed to the completion of the Silver Tower construction project and the decommissioning of a large building in the previous year.

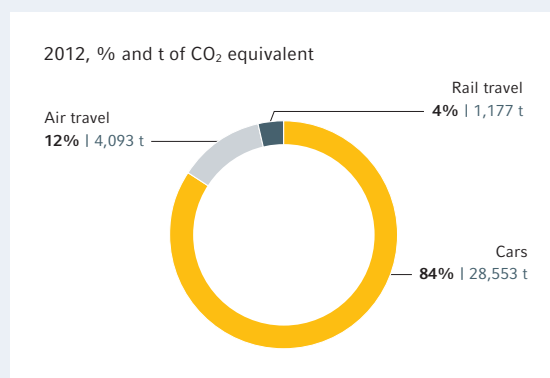
As our data included losses of coolants and fire extinguishing agents for the first time, scope 1 emissions rose by around 5 percent compared with 2011. Our scope 3 emissions also rose, mainly due to inclusion of additional upstream and downstream emissions.

### Business travel

At about 31 percent, business travel by staff accounted for a significant proportion of our greenhouse gas emissions. The majority of journeys were made by car. Another significant contributor was business travel by air, even though the resulting emissions were 32 percent lower than in 2011.

Commerzbank's travel guidelines state that flying should be avoided as far as possible for short-haul journeys, travel sharing opportunities should be investigated and, where feasible, alternatives such as video and teleconferencing technology should be used. We provide employees with information about the various alternatives on our intranet.

### Carbon footprint from travel, by mode of transport

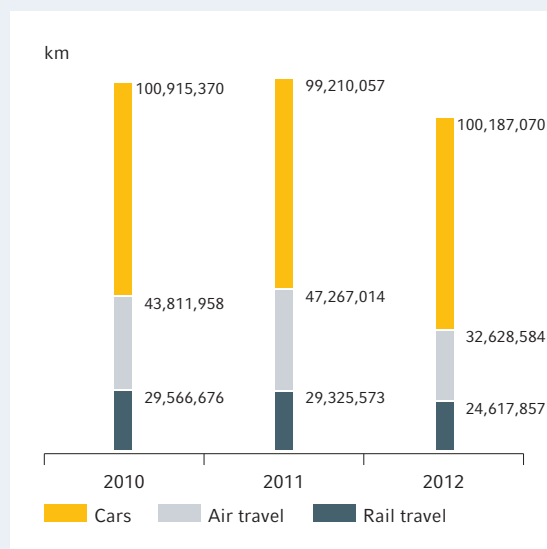


### Business travel at Commerzbank AG (Germany)

km	2010	2011	2012
<b>Cars (AG, Germany)</b>	<b>100,915,370</b>	<b>99,210,057</b>	<b>100,187,070</b>
Bank vehicles (AT Leasing)	76,128,161	76,581,976	80,379,607
Pool vehicles	9,160,274	9,064,911	8,482,136
Km accounted for as private	15,626,935	13,563,170	10,094,946
Hire car and taxi journeys <sup>1</sup>	–	–	1,230,381
<b>Air travel (group)</b>	<b>56,472,616</b>	<b>57,026,623</b>	<b>40,662,206</b>
AG, Germany:	43,811,958	47,267,014	32,628,584
Subsidiaries (Germany)	12,660,658	9,759,609	8,033,622
<b>Rail travel (group)</b>	<b>33,006,470</b>	<b>31,773,573</b>	<b>26,042,417</b>
AG, Germany	29,566,676	29,325,573	24,617,857
Subsidiaries (Germany)	3,439,794	2,448,000	1,424,560

<sup>1</sup> Taxi and hire car data was collected for the first time in 2012.

### Distances travelled, by mode of transport



For long-haul journeys, Commerzbank provides incentives for staff to travel by train, which has less environmental impact than flying. A scheme enabling staff to exchange their BahnCard (German railcard) for the enhanced benefits of BahnCard Business attracted much attention and demand among employees rose considerably. In 2012, the total distance travelled on domestic German flights fell by over 3.9 million kilometres, or 38 percent, compared with 2011.

As Commerzbank is a member of Deutsche Bahn's corporate customer scheme, all the long-distance rail journeys undertaken by our staff since April 2013 have been 100 percent powered by green electricity. Since December 2012, when using their BahnCard to book a ticket on the German rail network, customers also get a "city ticket" for use on the local transport network at both their departure point and destination.

Since 2011, Commerzbank's Travel Management department has made compliance with environmental standards a condition of negotiations when it invites bids to provide hotel accommodation. Although initially voluntary, the supply by hotels of information on their environmental commitment has been compulsory since 2012. Since 2013, this information has been used as a selection criterion. If two hotels are offering the same rates, the contract is awarded to the one with higher environmental standards.

### Company cars

A further contribution to energy savings and emissions reductions is made by our sustainability policy for vehicles. By deliberately choosing fuel efficient bank vehicles and pool cars, and by operating an incentive system, we were able to reduce average fuel consumption per 100 kilometres (according to data from the manufacturers) from 5.6 litres in 2011 to 5.5 litres in 2012. This equates to a reduction in CO<sub>2</sub> emissions from 149 grams per kilometre to 145 grams. The CO<sub>2</sub> emissions of new vehicles ordered within the reporting period amounted to an average of 137 grams per kilometre.

Bank vehicles constitute an optional company benefit for all bank employees outside the collectively agreed pay scale. The flat rate for fuel, which employees must pay alongside the leasing costs for the vehicle, is determined by their vehicle's CO<sub>2</sub> output.

When we configure the vehicles, we attach an energy efficiency label so that potential drivers can see the car's fuel consumption at a glance. Since the end of 2011, it has also been possible to order gas-fuelled as well as hybrid vehicles.

We intend to continue to adapt our vehicle policy to environmental requirements and make employees increasingly aware of fuel consumption. Information is available on the intranet and is also given in the vehicle wallets.

### Other emissions

In calculating our carbon footprint, we also factor in, in addition to CO<sub>2</sub> emissions, the CO<sub>2</sub> equivalents of two greenhouse gases that were named in the Kyoto Protocol – nitrous oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>) – in proportion to their contribution to atmospheric warming.

The use of ozone-depleting substances does not apply to Commerzbank. We are now using chlorodifluoromethane, which is no longer permitted in new equipment, in fewer and fewer of our air conditioning systems. As part of a bank-wide project, we are exchanging the legacy equipment within the statutory transitional period.

We are aiming to gradually offset those of our greenhouse gas emissions that cannot be avoided. The relevant procedures are being worked out in close cooperation with the Center of Competence Renewable Energies (CoC RE) and our carbon trading division. As in the previous year, we made our 2012 Annual General Meeting carbon-neutral.

### Paper consumption

In 2012, there was a marked reduction in overall paper usage of 10.8 percent against the previous year. The reduction in virgin fibre paper usage was even greater at 14.8 percent. Although at 4.9 percent (unchanged from 2011) the proportion of CO<sub>2</sub> emissions accounted for by paper usage is a relatively small part of the group's overall carbon footprint, we do not ignore its environmental impact.

Commerzbank stresses the importance of using environmentally responsible paper. Back in October 2008, when we were introducing the new branding, we established sustainability standards for printer and copier paper. These stipulate that, for internal use, we use only recycled paper certified under Germany's Blue Angel scheme and, for external use, paper certified by the Forest Stewardship Council (FSC). Since January 2012, automated bank documents have been printed on paper certified by the Programme for the Endorsement of Forest Certification (PEFC).

Various communiqués issued during the year under review have made our staff more aware of this issue, and management trainees from the Organisation unit have issued signs making staff aware of the need to use recycled paper.

Wherever possible, we operate the principle of the paperless office. Since 2012, itemised phone bills from our corporate mobile phone provider have only been available in digital form, saving our provider some 42,000 sheets of paper every month.

**Paper and toner consumption, together with the use of recycled paper at Commerzbank AG (Germany)**

	2010	2011	2012
<b>Paper consumption</b>			
Virgin fibre, ECF1 (t)	4,259	4,055	3,453
› of which not certified	2,260	895	169
› of which FSC-certified	1,999	2,872	2,322
› of which PEFC-certified	0	288	962
Recycled paper (t)	836	833	906
<b>Total consumption (t)</b>	<b>5,095</b>	<b>4,888</b>	<b>4,359</b>
<b>Recycled paper proportion, Blue Angel-certified (%)</b>	<b>16.4</b>	<b>17.0</b>	<b>20.8</b>
<b>Virgin fibre proportion, FSC-certified (%)</b>	<b>39.2</b>	<b>58.8</b>	<b>53.3</b>
<b>Toner consumption (t)<sup>2</sup></b>	<b>105</b>	<b>96</b>	<b>72</b>
for printers (no. of cartridges)	79,904	73,513	54,676
for copiers (no. of cartridges)	603	615	448

<sup>1</sup> ECF manufacture using elemental chlorine-free or low-chlorine bleached wood pulp.

<sup>2</sup> Cartridge including toner.



Our employee newsletter has also been available as an online app since the start of 2013. As well as the resource consumption of the print run itself, paper usage and transportation are also avoided.

Order volumes for copier paper fell by 17 percent in 2012, helped by the fact that the default setting of the printers was changed to double-sided printing.

### Waste disposal

The coordinated and proper disposal of waste, including the recycling of nearly all categories of waste, is part of Commerzbank environmental management programme. Our waste strategy, formulated in 2010, involves adapting and simplifying our disposal processes (such as the disposal of toner cartridges and hard-drives at our head office), using the smallest possible number of waste management companies and ensuring those companies serve the whole of Germany. We have therefore put all our waste management services out for re-tender. Since April 2012 we have used only providers operating a nationwide service.

#### Waste at Commerzbank AG (Germany) by type of disposal

t	2010	2011	2012
Waste for re-use/recycling <sup>1</sup>	13,186	32,555	16,106
of which paper	6,144	9,618	8,369
of which electrical waste	–	–	156
Waste for incineration	2,407	1,006	461
Waste to landfill <sup>2</sup>	325	264	72
Hazardous waste <sup>3</sup>	1	101	5
<b>Waste total</b>	<b>15,919</b>	<b>33,926</b>	<b>16,644</b>

<sup>1</sup> The reduction in waste is primarily due to the conclusion of renovation work on the Silver Tower, a building that belonged to the former Dresdner Bank, and the one-off effect of the decommissioning of a large building in 2011. At 96.8 percent, our recycling rate was slightly higher than the previous year's rate of 96 percent.

<sup>2</sup> Waste to landfill predominantly resulted from construction and demolition work.

<sup>3</sup> The hazardous waste reported for 2011 was the hazardous waste resulting from the renovation of the Silver Tower. The marked fall was due to the conclusion of this construction project. The extensive renovation of the 166m Silver Tower, built in 1978, was completed on 31 December 2011. The building has been certified in accordance with the standards published by the German Sustainable Building Council (DGNB).

These measures, together with more detailed requests for data and the closer involvement of those providing the data, enabled us to increase the transparency of waste-related information during the reporting period.

Over 96 percent of waste in 2012 was recovered and sent for recycling. In our banking operations, we are mainly dealing with paper that has to be disposed off under strict adherence to the German Federal Data Protection Act (BDSG).

#### Waste at Commerzbank AG (Germany) by category

t	2010	2011	2012
Hazardous waste <sup>1</sup>	491	170	122
Non-hazardous waste	15,428	33,755	16,522
<b>Total waste</b>	<b>15,919</b>	<b>33,925</b>	<b>16,644</b>

<sup>1</sup> In 2012 around 66 tonnes of hazardous waste resulted from the disposal of vending machines at Commerzbank head office (electrical waste).

### Water

In its buildings, Commerzbank uses drinking water only. In 2012 we used 485,178 cubic metres (2011: 543,419 cubic metres). At our larger locations, monthly inspections of water consumption take place so that, where there is a high degree of usage, optimisation measures can be put in place.

In 2012 our water usage was responsible for around 452,177 cubic metres of run-off into the main drainage system (2011: 509,668 cubic metres). This figure is about 33,000 cubic metres less than our fresh water usage. One reason for this is that some water evaporates from cooling towers and therefore does not drain back into the main drainage system.

### Biodiversity

Our business activities do not have any direct influence on biodiversity. Nonetheless we support its preservation. Since the end of 2010 we have been a member of the biodiversity forum at the German Association for Environmental Management and Sustainability in Financial Institutions (VfU) and have been involved in developing biodiversity maintenance principles specifically for the financial sector. Any resulting action will not affect Commerzbank's buildings as such, but rather the banking business itself, where biodiversity risks

and opportunities will need to be factored into investments and project finance to a greater degree. Checks in relation to environmental risk (including aspects of biodiversity) are carried out as part of Reputational Risk Management.

#### **Property portfolio optimisation**

The optimisation of buildings is one of the most important goals for environmental management in the bank. By 2015, Commerzbank is aiming to have the Gallileo tower in Frankfurt – former head office of Dresdner Bank – certified in accordance with the internationally recognised sustainability standard for Leadership in Energy and Environmental Design (LEED) in the Existing Building in Operations and Maintenance category. Alongside assessment of building performance in areas such as energy and water usage, there is also analysis and evaluation of operational and facilities management processes (such as technical operation and purchasing or utilities and waste disposal strategies), which are audited for the extent to which they meet sustainability requirements. Areas for improvement have already been identified in instrumentation engineering and building control systems.

#### **Sustainable procurement**

Commerzbank introduced a sustainable procurement standard back in 2006. It supplements our purchasing guidelines and is regularly updated. Products and services that we obtain should have as little impact as possible on the environment and climate and not constitute a health hazard. They must be produced under decent labour conditions and must be suitable for recycling wherever possible.

The purchasing of office equipment, electrical appliances, lighting, building materials and food is audited for the purposes of LEED certification. The disposal of these items is also analysed to see where improvements can be made.

Our internal environmental guidelines were distributed to our 100 most important suppliers and service providers at the beginning of 2012. For quality assurance purposes, suppliers were also sent an electronic self-declaration questionnaire that contained questions on sustainability. Among other questions, suppliers were asked about the proportion of their products that are recycled.

#### **Capital spending on environmental protection**

Environmental protection in the bank incurs capital costs. Annual expenses incurred in connection with centralised environmental management are about €650,000, although this does not include additional costs involved in the procurement of environmentally responsible materials. Waste disposal costs have fallen from around €2,000,000 in 2010 to €1,705,000 in 2012. The sourcing of green electricity in 2012 involved additional costs of €590,000.

# Employees

Commerzbank's HR policy is based on ensuring a trust-based corporate culture. A collegiate and equitable approach is a precondition for our long-term success. Group Human Resources plays an essential role in looking after and developing our staff. Among its most important aims are the responsible implementation of the strategic agenda up to 2016, the optimisation of training and development, work-life balance and promotion of diversity in the workplace. We also place great emphasis on the improvement of occupational health and safety.

## Employee structure

As at 31 December 2012, Commerzbank AG employed 37,668 people, 1,189 fewer than at the end of 2011. The majority have a permanent employment contract. Almost a quarter of the workforce works part-time.

This presents plenty of opportunity for flexible working. Variable hours are used in nearly all parts of the bank. Teams are responsible for ensuring staffing levels each day within the defined bandwidth of flexible working hours. We also use sabbaticals, teleworking, a system of annual working hours and a range of part-time models. Needless to say, senior staff can also take advantage of these arrangements.

## Employees at Commerzbank AG

Headcount	2010	2011	2012
Total number of employees Group	59,101	58,160	53,601
Total number of employees AG (Germany)	39,695	38,857	37,668

## Total workforce of Commerzbank AG by type of employment

	2010		2011		2012	
	total	%	total	%	total	%
Employees not on collectively agreed pay scale	18,251	46.0	18,046	46.4	17,574	46.7
Employees on collectively agreed pay scale <sup>1</sup>	21,008	52.9	20,431	52.6	19,764	52.4
Non-salaried employees/other	436	1.1	380	1.0	330	0.9
<b>Total</b>	<b>39,695</b>	<b>100</b>	<b>38,857</b>	<b>100</b>	<b>37,668</b>	<b>100</b>

<sup>1</sup> Including apprentices.

## Employment split (full time, part time) at Commerzbank AG

	2010		2011		2012	
	total	%	total	%	total	%
Full time <sup>1</sup>	27,565	75.6	27,797	78.0	26,465	76.8
Part time <sup>1</sup>	8,888	24.4	7,834	22.0	8,003	23.2

<sup>1</sup> Excluding trainees.

## Commerzbank AG workforce by type of contract (permanent/temporary)

	2010		2011		2012	
	total	%	total	%	total	%
Permanent contracts	36,940	93	35,304	91	34,203	91
Fixed-term contracts	2,755	7	3,553	9	3,465	9

## Total workforce by gender

	2010		2011		2012	
	People	%	People	%	People	%
Men	19,851	50	19,345	50	18,628	49
Women	19,844	50	19,512	50	19,040	51

## Commerzbank AG employees by place of work

	2010		2011		2012	
	total	%	total	%	total	%
Frankfurt	14,603	36.8	13,329	34.3	12,887	34.2
Rest of Germany	25,092	63.2	25,528	65.7	24,781	65.8



## Employee turnover

The rate of employee turnover in the year under review was 4.1 percent. This is down 0.7 percent on the previous year. Since 2011, we have been using an online questionnaire for systematically recording employees' reasons for leaving, and using the results to make improvements. In some cases, we also conduct interviews. Some respondents cite limited prospects and career progression opportunities within the bank; others say their performance is not being adequately remunerated. But most of the reasons cited for leaving are more subjective and personal, such as a desire for a change of surroundings. Many employees say in the interviews that they would not exclude the possibility of returning to the bank one day. In selected cases, Commerzbank stays in contact with former employees.

## Working with employee representatives

Employee/employer cooperation at Commerzbank is based on critical yet trust-based partnership. Company agreements between the employer and employee representatives take account of the bank's aims as well as the employees' wider needs. That will continue to apply in the future.

In January 2013, Commerzbank entered into negotiations with the employee representatives on the implementation of the strategic agenda up to 2016. Agreement was reached on this point in June 2013 (cf. page 36). This included, among other provisions, conditional protection against job losses: the bank will not lay off any staff protected by German redundancy law in the period up to 31 December 2014, provided it can make a reduction of 350 full-time equivalents (FTEs) by 31 December 2013. This protection will be extended by one year if a reduction of 1,500 FTEs has been achieved by the end of 2014, or will be valid until the end of 2016 if a total reduction of 2,500 FTEs has been achieved by the end of 2015.

## Employee turnover at Commerzbank AG by age

	2010		2011		2012	
	total	%	total	%	total	%
Employees under 30 leaving	394	5.2	506	1.5	302	10.1
Employees aged 30-50 leaving	768	3.2	806	2.5	734	3.5
Employees aged over 50 leaving	555	8.1	262	0.8	314	3.5
<b>Total number of employees leaving</b>	<b>1,717</b>	<b>4.3</b>	<b>1,574</b>	<b>4.8</b>	<b>1,350</b>	<b>4.1</b>

## Employee turnover at Commerzbank AG by gender

	2010		2011		2012	
	total	%	total	%	total	%
Female employees leaving	792	4.0	690	2.1	570	3.8
Male employees leaving	925	4.7	884	2.7	780	4.5
<b>Total number of employees leaving</b>	<b>1,717</b>	<b>4.3</b>	<b>1,574</b>	<b>4.8</b>	<b>1,350</b>	<b>4.1</b>

## Employee turnover at Commerzbank AG by region

	2010		2011		2012	
	total	%	total	%	total	%
Frankfurt	434	3.0	454	3.8	499	4.2
Rest of Germany	1,283	5.1	1,120	5.4	851	4.1
<b>Total</b>	<b>1,717</b>	<b>4.3</b>	<b>1,574</b>	<b>4.8</b>	<b>1,350</b>	<b>4.1</b>

## Employee turnover at Commerzbank AG by reason for leaving

	2010		2011		2012	
	total	%	total	%	total	%
Contract terminated by employee	668	1.7	820	2.2	628	1.9
Contract terminated by employer	12	0.03	15	0.04	21	0.1
Amicable agreement	607	1.5	468	1.6	627	1.9
(Early) retirement/partial retirement	119	0.3	99	0.9	86	0.3
Incapacity for work/death	1	0.01	31	0.2	74	0.2

## Diversity

In 2006, Commerzbank signed up to Germany's Diversity Charter, a corporate initiative that aims to promote diversity in companies. In doing so, we have pledged our commitment to a culture that recognises the unique value of every individual employee. Diversity management at Commerzbank aims to foster this recognition and break down prejudice so that we can use our diversity for the good of our business.

The setting up of the Global Diversity Council in March 2012 formalised the groupwide implementation of diversity measures and embedded it in our corporate strategy (cf. page 33). The participation of all business units and support from regional diversity councils have enabled us to take account of country-specific differences and accommodate individual needs.

Commerzbank is aiming to achieve a balance between the number of men and women at all management levels across the group (cf. page 33). The individual business units have set their own targets for 2015. This has led to a target for the bank as a whole: 30 percent of managerial positions must be held by women by the end of 2015. We slightly exceeded our target for 2012 by achieving 25.7 percent.

The following areas of focus were identified in the various countries. In the US, discussions are taking place with management as to how a diverse workforce can contribute to the success of the business. In the UK, the focus was on childcare facilities, which have since been introduced. Asia is drawing up communication and training plans to make staff aware of diversity activities. Training is also a top priority in western Europe, while training, a Keep in Touch programme and new working-time models are being developed in eastern Europe.

### Proportion of female employees at Commerzbank AG (Germany) by management level

%	2010	2011	2012
Proportion of women in overall workforce	50	50.4	50.8
Proportion of women at management levels (MLs)			
1-4 in total	23	23.1	24.0
Management level 4	29	28.8	28.9
Management level 3	13	14.1	16.9
Management level 2	11	11.7	11.9
Management level 1	5	9.3	4.7

### Commerzbank AG workforce by age and gender

%	2012	
	men	women
up to 19	318	354
20-24	1,434	1,605
25-29	1,266	1,495
30-34	1,471	1,716
35-39	2,192	2,272
40-44	3,158	3,419
45-49	3,716	3,656
50-54	2,826	2,648
55-59	1,990	1,707
Aged 60 or above	257	168

### Age structure of Board of Managing Directors

	2010	2011	2012
Aged 60 or above	–	–	–
50-59 years old	2	2	5
40-49 years old	8	7	4
30-39 years old	–	–	–
up to 30 years old	–	–	–

In 2012, Commerzbank had a total of 1,870 positions for disabled employees. 1,845 of them were occupied and 25 unoccupied.

In 2012, nearly 4.93 percent of roles were occupied by employees with severe disabilities and employees whose disability is classified as being equivalent to a severe disability. The statutory quota for disabled staff was therefore almost reached in 2012. In addition, our accessibility project team continued to work to systematically reduce or remove existing barriers in order to provide sustainable support for the benefit of customers and staff.

## Remuneration

Over 97 percent of the workforce are covered by collective bargaining arrangements. Salaries at lower salary levels are governed by the framework collective agreement for banks in the private sector. The two employees at the lowest salary level are currently in salary bracket 1 in their eighth year of employment (€2,402 per month). There are therefore no employees at any of the bank's locations on the minimum wage. Employees on higher salaries are paid at rates outside the collectively negotiated pay scale. In order to underline its importance for Commerzbank, customer satisfaction will in future be a factor in the variable pay for all staff working in private customer sales (cf. pages 24 and 35).

**Salary structure at Commerzbank AG (Germany): gender breakdown within the pay-scale categories covered by collective bargaining agreements**

	2010		2011		2012	
	men	women	men	women	men	women
Apprentices <sup>1</sup>	1,100	1,197	1,204	1,139	1,205	1,068
>Scale 1–3	16	39	20	66	20	102
>Scale 4–6	1,389	4,564	1,302	4,326	1,222	4,077
>Scale 7–9	4,192	8,676	3,991	8,523	3,848	8,348
>Outside scale <sup>2</sup>	13,015	5,243	12,693	5,356	12,221	5,357
Hourly, monthly and other wages	139	125	135	102	112	88

<sup>1</sup> Apprentices are shown separately for the first time.

<sup>2</sup> Details adjusted against previous report to account for apprentices being shown as individual posts.

### Company benefits

Commerzbank offers staff a comprehensive and attractive range of company benefits as part of their total remuneration. These benefits strengthen employees' loyalty and help them to identify with the bank (cf. page 34). The bank aims to continually improve the range of benefits and reach as many staff as possible. However, the occupational pension scheme is available only to employees with a permanent employment contract, including trainees.

### Employee satisfaction

The results of the employee survey of autumn 2011 show a high level of satisfaction with the immediate working environment. Corporate culture and employees' relations with one another were seen in a positive light. Many teams are working well together, performance expectations are high and there is strong customer focus. At the same time, managers in particular identify strongly with the bank. Opportunities for career development received more criticism and in order to improve them, one of the initiatives we have developed is the Commerzbank Academy (cf. page 32). The follow-up survey on employee engagement in the spring of 2013 showed a clear improvement, especially in the Private Customers segment (cf. page 22).

### Training and development

Of the 37,668 people employed by Commerzbank AG in Germany as at 31 December 2012, 2,273 were apprentices. In 2012, we hired around 900 apprentices and students pursuing integrated work/study courses. They are taking apprenticeships in banking, office communications and property. We generally train more apprentices than we need for our own requirements, enabling us to offer this opportunity to as many school-leavers as possible. During the year under review, we hired two-thirds of all the apprentices who applied after they had finished their training, offering them promis-

ing career opportunities in the bank. The bank also employed an average of 164 employees as management trainees, while an average of 373 students belonged to the Commerzbank study group. Around 750 people completed internships at Commerzbank as part of their studies during the year under review.

### Apprenticeships at Commerzbank AG (Germany)

	2010	2011	2012
Total number of apprentices	2,299	2,343	2,273
Ratio of apprenticeships to other employees (%)	6.8	6.7	6.7
Percentage of apprentices offered permanent positions	66.3	66.0	65.8

Commerzbank supports its young professionals from the moment they join and offers attractive development options as part of a specialist, managerial or project-based career path. Managerial and project-based career paths involve comprehensive skills development courses. Both the Commerzbank Management Programme (CMP) and the Commerzbank Project Management Programme (CPP) are divided into two separate phases: a development programme before the employee takes over the target function; and then a professional programme (cf. page 32).

The first year of the bank's largest ever mentoring programme finished in September 2012. 353 mentors guided 573 mentees in their personal and professional development. In the future, the Board of Managing Directors, managers at levels one and two and level-two project managers will be available as mentors. The mentees are managers at levels two, three and four as well as employees pursuing a specialist or project-based career path. They come from a different board area than the mentor, who is two management levels higher.



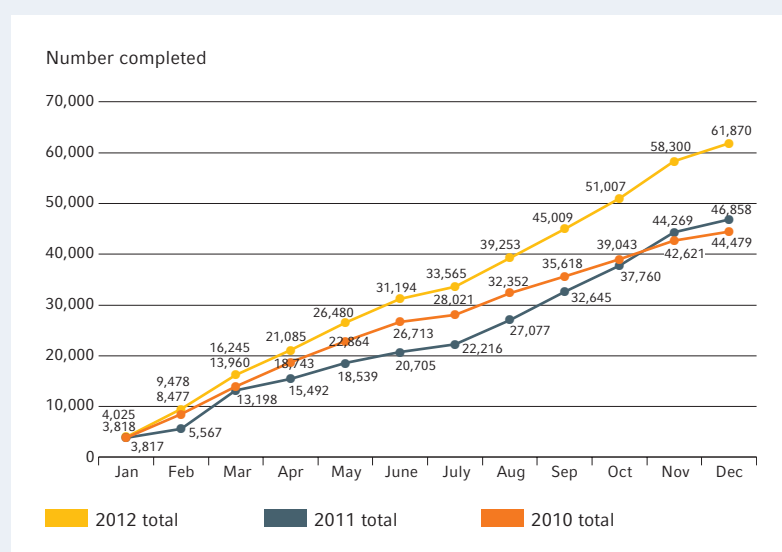
#### Average no. of hours spent in training and development per employee<sup>1</sup>

	2012
No. of hours per year	25.4

<sup>1</sup> Calculation method:  $\frac{\text{Total no. of hours}}{\text{Total no. of employees}}$

In recent years the number of successfully completed training courses has shown a steady increase. In 2012, our staff attended almost 62,000 training events.

#### Completed courses and training events (yearly comparison)



In order to nurture new talent, one of the tools Commerzbank uses is a Facebook page called Commerzbank Career, which has around 13,000 fans (as at mid-2013). We are one of the most active DAX companies when it comes to social media and have a presence on seven platforms. We also engage directly with pupils and students. In the year under review, we ran numerous events in schools on how to apply for jobs and took part in programmes for developing the next generation of talent (cf. pages 32 and 77).

The Management meets Campus project takes in 34 university liaison programmes, including six in European countries outside Germany. Working with interdisciplinary university teams, managers from the bank give guest lectures, present case studies and take workshops.

#### Ideas management

In 2012, we took our ideas management to the next stage, transforming our intranet portal ComIdee into WikiIdee (cf. page 33 onwards). After deduction of all costs, the benefits achieved through ideas management in 2012 amounted to around €3.22 million (based on an average usage period of five years).

#### Feedback culture

At Commerzbank, open and clear feedback is a given. We meet annually with every employee to assess their performance and attainment of goals. An integral part of management development at the bank is 360° degree feedback. The methodology involves the Board of Managing Directors, executives and level-two managers and project managers receiving comprehensive feedback from superiors, colleagues and staff. From 2013, 360° feedback will be given regularly every two years.

#### Occupational health and safety

This is one of the major priorities for the Group Organisation and Group Human Resources units. Since 2012, we have been enhancing health protection and preventative measures by conducting risk assessments based on a circular model. In this way we aim to systematically identify physical and severe mental stress points in the workplace and either reduce or eradicate them in the future. Commerzbank was the first DAX company in Germany to have its health management function certified by the standards body TÜV Süd Management-Service.

On the Employee Council on Health, 45 employees from practically all areas of the business discuss the most important health issues with the member of the Board of Managing Directors responsible for HR and the chairman of the general works council.

Commerzbank's sickness rate for 2012 was 4.1 percent, although this does not include long-term sickness. In 2012, the accident rate at Commerzbank in Germany was 14.6 per 1,000 employees (2011: 15.0) and therefore once again at a low level, certainly below the target levels specified by the employers' liability insurance association. In the year under review, there were no accidents resulting in death.

## Number of workplace accidents by region

	2010			2011			2012		
	Frankfurt	Rest of Germany	Total	Frankfurt	Rest of Germany	Total	Frankfurt	Rest of Germany	Total
Workplace and commuting accidents (more than three days' absence)	106	228	334	95	176	271	80	162	242
of which purely workplace accidents	23	59	82	26	40	66	13	49	62

The activities of our dedicated internal health and safety specialists are central at the bank: these specialists carry out regular inspection tours in all units and can provide advice on all matters related to health and safety.

Commerzbank offers training, counselling and health promotion services. To help with difficulties in their personal and professional lives, employees and family members living in the same household can access an external counselling service known as the Employee Assistance Programme (EAP). The EAP will provide employees with the right person to talk to about issues such as stress, addiction or family problems. Anyone feeling discriminated against or bullied can also access the programme. The experts on the programme will answer all questions in confidence, provide information and help the person affected find solutions to his or her problems. There were over 500 counselling sessions in 2012.

In 2011, the bank's general works council and health management team set up the Horizont network for people affected by burnout. Horizont offers those affected an opportunity to talk and get information. It is also in close contact with the works council and health management team.

In 2011 we launched the interactive training course on health at Commerzbank to make employees more aware of their health. The programme, which can be accessed on the intranet, also offers practical tips on health in the workplace, stress management, exercise, nutrition and addiction prevention. And in September 2012 we launched a seminar on being a successful and healthy manager (cf. page 36).

Our company doctors provide tips on eating healthily, preventing addiction and developing strategies for coping with stress. To avoid health complaints developing, we offer regular eye examinations, blood pressure checks, weight control and measures for the prevention of diabetes.

We promote sporting activity among staff through our largest employee network. Commerzbank has 160 inhouse sports groups across Germany. They offer all of the most popular sports and have a total of around 17,000 members. About 1,000 members help with the management and administration of the groups on a voluntary basis. In the Commerzbank sports tournament known as ComGames, our sportsmen and women can demonstrate team spirit and put themselves to the test in a Germany-wide competition.

#### Return-to-work and disability management

Commerzbank's return-to-work and disability management programme applies to all employees who have been off sick for more than six weeks within a twelve-month period. Individually tailored solutions and preventative measures are developed together with the employee. Our aim is for people to find their feet again quickly when they return and to remain healthy in the long term while working at the bank.

# Society

Commerzbank knows that it can only succeed as part of a cohesive and future-focused community. It helps create this type of community by providing financial support and the expertise of its people. Its social commitment finds expression in the activities of nine foundations, support for staff volunteering and a wide range of cooperative and sponsorship projects. It is largely determined by Commerzbank's donations policy as well as the constitution and founding principles of the foundations.

The Corporate Responsibility department, which is part of Corporate Communications, is in charge of carrying out the programme. It seeks approval from HR for employees wishing to volunteer and from the sponsorship team for requests for sports sponsorship. The Foundation Centre provides a framework for the foundations, which operate independently.

## Donation policy

In June 2012, Commerzbank introduced a donation policy that sets out a clear framework for donations. In particular, donations must not conflict with Commerzbank's standards of business and conduct, compliance principles (e.g. the Global Anti-Fraud Policy and the Global Anti-Corruption Policy) or any specially defined exclusion criteria. Donations that might cause a conflict of interests are to be avoided.

Commerzbank forbids donations to recipients such as associations and sects monitored by the Federal Office for the Protection of the Constitution and organisations for which the German Central Institute for Social Issues (DZI) has issued a warning. The bank's donation policy is also followed by the foundations. Commerzbank does not give any money to political parties, affiliated institutions or politicians.

## Foundations

As far as Commerzbank is concerned, a commitment to foundations forms an integral part of its corporate social responsibility. The bank's various foundations – the Commerzbank Foundation, the Jürgen Ponto Foundation, Dresdner Bank Dresden Cultural Foundation and the six charitable foundations – are all brought together under the umbrella of the Commerzbank Foundation Centre. Decisions on which projects to support are taken by the individual foundation's board of trustees in accordance with the objectives of the foundation concerned. For the charitable foundations, decisions are taken by the board of trustees.

### Breakdown of funding provided by the Foundation Centre

€	2010	2011	2012
Commerzbank Foundation	1,463,000	1,417,000	1,385,000
Jürgen Ponto Foundation	198,000	243,000	422,000
Dresdner Bank Dresden Cultural Foundation	318,000	242,000	225,000
Charitable foundations	408,500	493,000	502,000
<b>Total</b>	<b>2,387,500</b>	<b>2,395,000</b>	<b>2,534,000</b>

### Endowment capital of the Foundation Centre

€ million	2010	2011	2012
Commerzbank Foundation	58.0	58.0	58.0
Jürgen Ponto Foundation	11.8	11.8	11.8
Dresdner Bank Dresden Cultural Foundation	7.7	7.7	7.7
Charitable foundations	20.2	20.2	20.2
<b>Total</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>

## Commerzbank Foundation

The Commerzbank Foundation, established in 1970, supports projects in the areas of science and culture as well as social initiatives. In 2012, it began a project with the Foundation for German Business, the first time it had entered into a long-term cooperative project. The aim of "The universe of economics. Inspiration for tomorrow's teachers" is to improve teachers' know-



ledge of economics and provide them with practical opportunities for integrating business issues into their teaching. At the current time, the programme is open to trainee teachers in Berlin and young teachers working in all subjects and types of school.

#### Commerzbank Foundation donations breakdown

Recipients	2010	2011	2012
Community work (%)	23.2	14.2	15.3
Art and culture (%)	41.2	40.7	39.9
Education and research (%)	35.6	45.1	44.8
<b>Total donations (€)</b>	<b>1,463,000</b>	<b>1,417,000</b>	<b>1,385,000</b>

#### Jürgen Ponto Foundation

Since 1977, the Jürgen Ponto Foundation has supported promising young artists in Germany.

#### Donations breakdown for the Jürgen Ponto Foundation

Recipients	2010	2011	2012
Community work (%)	–	–	–
Art and culture (%)	100	100	100
Education and research (%)	–	–	–
<b>Total donations (€)</b>	<b>198,000</b>	<b>243,000</b>	<b>422,000</b>

#### Dresdner Bank Dresden Cultural Foundation

The Dresdner Bank Dresden Cultural Foundation has been promoting cultural and academic projects in Dresden for the past 20 years. In the winter semester of 2012/2013, the Foundation, working closely with the Academy of Fine Arts and the city of Dresden, created the new Schools of Art bursary programme, which aims to promote artistic exchange among European universities.

#### Dresdner Bank Dresden Cultural Foundation donations breakdown

Recipients	2010	2011	2012
Community work (%)	–	–	–
Art and culture (%)	93.1	91.5	81.2
Education and research (%)	6.9	8.5	18.8
<b>Total donations (€)</b>	<b>318,000</b>	<b>242,000</b>	<b>225,000</b>

#### Commerzbank's charitable foundations

Commerzbank's six charitable foundations provide financial assistance for the bank's employees, retirees and their families who find themselves in need through no fault of their own (cf. page 45).

#### Endowment capital of the social foundations

€ million	2010	2011	2012
Bankdirektor Amandus de la Roy Foundation	11.2	11.2	11.2
Meier Bruck Foundation	4.5	4.5	4.5
Hugo Zinsser Foundation	3.3	3.3	3.3
Alfred Prahm Foundation	0.6	0.6	0.6
Max Grunow Foundation	0.3	0.3	0.3
Charlotte Seibold Foundation	0.3	0.3	0.3
<b>Total</b>	<b>20.2</b>	<b>20.2</b>	<b>20.2</b>

#### General financial education

The 2008/2009 crisis has shown that many of the financial market's institutions, products and processes are now so complex that they can no longer be understood by most customers. Commerzbank therefore aims to make a contribution towards general financial education, especially at school level, and has initiated and supported various projects to that end:

- › **Business@school:** this Boston Consulting Group (BCG) project aims to bring business issues to life in a vivid and practical way. It gives senior high school students the opportunity to get a closer look at business over the course of a year. In the 2012/2013 school year, 33 Commerzbank employees volunteered as school advisors and 51 have already volunteered for 2013/2014. Senior managers are also taking part voluntarily as judges for the regional heats and European final.
- › **Commerzbank meets school:** the bank's "target school" concept allows pupils to get an early glimpse into the world of work to help them decide on a choice of career. Commerzbank managers take on the role of "target school captains": they provide job application workshops, lead exercises involving case studies and give presentations on specialist subjects at the schools taking part.

### **Equality of access to education**

In 2013 there was a change of strategy in our approach to promoting education. We shall continue to ensure exceptionally able pupils have every opportunity to progress. But in future we shall focus our efforts on equality of access to education (cf. page 40 onwards): We want to help young people from immigrant or deprived backgrounds have access to training that enhances their opportunities:

- › Education mentoring programme: since 2013, Commerzbank employees have been helping educationally disadvantaged young people make the transfer from school to work (cf. page 40 onwards).
- › Joblinge initiative: initiated by the Boston Consulting Group (BCG) and the Eberhard von Kuenheim Foundation, this project enables pupils who are in danger of dropping out of school to get key qualifications, learn social skills and work to gain an apprenticeship. Every pupil on the scheme is assigned a mentor and this is another area where Commerzbank employees volunteer. So far, numerous young people on the scheme have taken part in career orientation at Commerzbank and completed an internship lasting several weeks. In August 2012, three of them began an apprenticeship with us.
- › START bursary programme: in partnership with the START Foundation, a subsidiary of the Hertie Foundation, Commerzbank offers committed young people from an immigrant background the opportunity to go to college or university. We are primarily involved in training participants to apply for jobs and we also offer career orientation events. Since 2012 we have also been helped by an employee who is a START alumnus.

### **Commerzbank environmental internship**

Since 1990 the bank has been offering an environmental internship to students with an interest in this area. Every year, around 50 students from various faculties complete an internship of several months' duration in one of 25 German national parks, nature reserves or biosphere reserves. The bank provides financial resources and administrative services. In 2007 the internship was adopted as an official project for the UN Decade of Education for Sustainable Development. In 2012 we presented it in the park of Bellevue Castle in Berlin during the German Federal President's Environment Week.

### **Sports sponsorship**

We regard our sports sponsorship projects as a contribution to promoting team spirit and fairness in society.

- › Since 1986 Commerzbank has been recognising first-class youth training in competitive sport by awarding its "green ribbon" to clubs that demonstrate excellence in nurturing young talent. The competition is hosted annually in conjunction with the German Olympic Sports Confederation (DOSB). Grants of €5,000 are given to 50 clubs, regardless of their size or the popularity of their sport, that have distinguished themselves through excellent youth training as well as through sporting success.
- › Another initiative, the Girls Wanted football project, which we have been supporting since 2011, is aimed at girls aged eight to 16. Three-day football camps and an annual soccer festival attracting over 600 participants give the girls the opportunity to learn not just about football but also about values such as team spirit, tolerance and achievement.
- › We also support the development of young talent through the German Football Association's DFB Junior Coach project (cf. page 41 onwards).

### **Employee commitment**

Commerzbank supports corporate volunteering by giving its employees time off and bearing the associated costs (cf. page 42 onwards).

- › One of the biggest events to take place during the reporting period was the Malteser Social Day. For the first Social Day Week from 17 to 24 September 2012, 430 employees took part in over 30 events at 17 different locations across Germany.
- › As part of the "Business gets down to business" project, which began in 2011, seven projects were realised nationwide in 2012. A total of 116 employees from Commerzbank and its corporate customers helped renovate playgrounds, kindergartens and schools. Around €55,000 was donated for building materials.

### Political dialogue

For the purposes of political dialogue, Commerzbank maintains liaison offices in Berlin and Brussels. In 2010 Commerzbank launched the Commerzbank in Dialogue initiative, a forum in which decision-makers from politics, business and society can discuss current social and business policy challenges. Events took place in Berlin and Brussels again in 2012. One of the topics discussed in Brussels was the European sovereign debt crisis. Present at the talks along with Commerzbank's head Martin Blessing were Jörg Asmussen, a member of the ECB Executive Board, Robert A. Pollard, member of the US mission for the EU, MEP Alexander Graf Lambsdorff and EU commissioner Günther Oettinger. Another format is the "political breakfast" held regularly in the Berlin liaison office. In 2012 there was a total of nine such events.

### Membership of organisations

Commerzbank takes its responsibilities as a financial service provider very seriously, as evidenced by its membership of some respected initiatives and associations:

- › German Association of Environmental Management (BAUM) (member since 1985)
- › German Association for Environmental Management and Sustainability in Financial Institutions (member since 2006)
- › Environment and Sustainability Network (NeUN) – previously the Rhine-Main Green Office and Building Network (NGB) (member since 2006)
- › Rhine-Main Environmental Forum (member since 2009)
- › German Sustainable Building Council (DGNB) (member since 2010)
- › Transparency International (member since 2011)
- › UPJ – German network of socially aware businesses and non-profit organisations (member since 2013)

As a member of these organisations, Commerzbank plays an important role in the development of new standards and topics for discussion. In May 2012, for example, we held an event at Commerzbank's head office on the environment and sustainability ratings for members of the Environment and Sustainability Network (NeUN) of the Rhine-Main Environment Forum (UFO) and interested guests.

We are also members of the following initiatives:

- › CDP – previously the Carbon Disclosure Project (since 2002)
- › UN Global Compact (since 2006)
- › VfU's Finance Forum: Climate Change – previously in the Federal Ministry of Education and Research (since 2007)
- › Germany's Diversity Charter (signed 2008)
- › Climate and Finance campaign week organised by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (January 2010)
- › DAX 30 declaration regarding women in managerial positions (signed 2011)

### Contribution to infrastructure

The range of high-value financial services that we offer to people throughout Germany is something that we consider to be an important contribution to the country's infrastructure. Of all private sector banks in Germany, we have one of the most extensive branch networks. The planned job cuts will not result in Commerzbank reducing its presence on the ground or closing branches.

In order to make our services available to all parts of the community, we place great emphasis on the accessibility of our branches, particularly when it comes to refits and new builds. For cash machines, we are focused on providing an easily understandable user interface and maximum accessibility for all user groups.



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	EC6	Payments to locally based suppliers	c	No policy; 69 Sustainable procurement
6	EC7	Hiring of senior management from the local community	c	No policy
	EC8	Infrastructure investments and services provided primarily for public benefit	c	78 Commerzbank environmental internship
	EC9	Indirect material economic impacts	n	
7–9	Environmental performance indicators – management approach		c	51 onwards CR programme, 54 onwards Reputational Risk Management, penalties, 59 onwards Sustainability products for private customers, financing renewable energies, 62 onwards Environment, environmental responsibility, environmental management, energy consumption, CO <sub>2</sub> emissions, business travel, company cars, paper consumption, waste disposal, water, biodiversity

Global Compact principles	Index according to GRI		Achievement	Page
5 Management approaches and performance indicators (continued)				
8, 9	EN1	Materials used by weight or volume	c	67 Paper consumption
8, 9	EN2	Percentage of materials used that are recycled input materials	c	67 Paper consumption
8	EN3	Direct energy consumption	c	63 Energy consumption 209,429 MWh = 753,944.4 GJ
8	EN4	Indirect energy consumption	c	63 Energy consumption 379,200 MWh = 1,365,120 GJ
7	EN5	Energy saved due to conservation and efficiency improvements	c	16 Environmental management aids efficiency measures, 64 Energy consumption
9	EN6	Initiatives to provide energy-efficient or renewable energy-based products and services	c	59 onwards Sustainability products for private customers, financing renewable energies
8	EN7	Initiatives to reduce indirect energy consumption	c	66 Business travel
8	EN8	Total water withdrawal by source	c	68 Water
8	EN9	Water sources significantly affected by withdrawal of water	n	
8	EN10	Water recycled and reused	n	
8	EN11	Plots of land in or adjacent to protected areas	c	no sites
8	EN12	Impact on biodiversity in protected areas	c	68 onwards Biodiversity
8	EN13	Habitats protected or restored	n	
8	EN14	Strategies, current actions and future plans for managing impacts on biodiversity	n	
8	EN15	Endangered species, level of extinction risk	n	
8, 9	EN16	Direct and indirect greenhouse gas emissions	c	64 onwards CO2 emissions
8	EN17	Other indirect greenhouse gas emissions	c	65 CO2 emissions
7–9	EN18	Initiatives to reduce greenhouse gas emissions	c	64 CO2 emissions, 66 onwards Business trips, company cars
8	EN19	Emissions of ozone-depleting substances	c	67 Other emissions
8	EN20	NOx, SOx and other significant emissions	n³	
8	EN21	Water discharge by type and quantity	c	68 Water
8	EN22	Waste by type and disposal method	c	68 Waste disposal
8	EN23	Release of contaminants	c	none
	EN24	Weight of transported hazardous waste	n	
	EN25	Water bodies and habitats significantly affected by discharges of water	n	
7–9	EN26	Initiatives to mitigate environmental impacts of products and services	c	54 onwards Reputational Risk Management, 59 onwards Sustainability products for private customers, financing renewable energies
	EN27	Percentage of products whose packaging was recycled	n³	
	EN28	Fines for non-compliance with environmental laws and regulations	c	56 Penalties
8	EN29	Environmental impacts of transporting goods and people	c	65 onwards CO2 emissions, business trips, company cars
7, 8	EN30	Environmental protection expenditures and investments by type	c	69 Capital spending on environmental protection
1, 3, 6	Working environment and conditions – management approach -		c	48 Strategy, 52 onwards CR programme, 70 onwards Employees, working with employee representatives, diversity, training and development, occupational health and safety
	LA1	Details of total workforce	c	70 Employee structure
6	LA2	Employee turnover	c	71 Employee turnover
	LA3	Benefits provided only to full-time employees		
1, 3	LA4	Employees covered by collective bargaining agreements	c	72 onwards Remuneration
1, 3	LA5	Minimum notice periods regarding operational changes	c	71 Working with employee representatives
	LA6	Percentage of total workforce represented in health and safety committees that monitor and advise on occupational health and safety programmes	n	
1	LA7	Lost days, injuries and number of fatalities	c	74 onwards Occupational health and safety
	LA8	Healthcare, advisory services	c	74 onwards Occupational health and safety
	LA9	Health and safety agreements with trade unions	n	
	LA10	Hours of training/continuing professional development by employee category	p⁴	74 Training and development
	LA11	Programmes for skills management and lifelong learning	p	32 onwards Launch of Commerzbank Academy, 73 onwards Training and development
	LA12	Percentage of employees receiving regular performance and career development reviews	c	74 Feedback culture
1.6	LA13	Workforce structure/diversity of management	c	72 Diversity
1.6	LA14	Remuneration by gender and employee category	c	73 Remuneration



Global Compact principles	Index according to GRI		Achievement	Page
5 Management approaches and performance indicators <i>(continued)</i>				
1–6	Human rights – management approach		c	12 onwards Values and policies, policies and positioning, 48 Strategy, 54 onwards Reputational Risk Management, 69 Sustainable procurement, 72 Diversity
1–6	HR1	Investment agreements that include human rights clauses or have undergone human rights screening	c	54 onwards Reputational Risk Management
1–6	HR2	Screening of suppliers for compliance with human rights	c	69 Sustainable procurement
1–6	HR3	Training on aspects of human rights	p	12 Strengthening sustainability in core business
1, 2, 6	HR4	Number of incidents of discrimination and actions taken	c	75 Occupational health and safety
1–3	HR5	Freedom of association and freedom to undertake collective bargaining	c	69 Sustainable procurement, 71 Working with employee representatives
1, 2, 5	HR6	Principles and measures preventing child labour	c	69 Sustainable procurement
1, 2, 4	HR7	Principles and measures preventing forced labour	c	69 Sustainable procurement
1, 2	HR8	Human rights training for security staff	n	
	HR9	Violations involving rights of indigenous people and actions taken	n	
10	Society – management approach		c	48 Strategy, 53 CR programme, 54 onwards Governance, compliance, detailed risk analysis, Zero-tolerance approach, comprehensive training, penalties, 58 Market and customers, 76 Society
	S01	Programmes and practices that assess and manage the impacts of operations on communities	c	38, 40 Socially engaged and fit for the future, 79 Contribution to infrastructure
	FS13	Access points in low-populated or economically disadvantaged areas	c	79 Contribution to infrastructure
	FS14	Initiatives to improve access to financial services for disadvantaged people	c	79 Contribution to infrastructure
10	S02	Analysis of the risks of corruption	c	55 onwards Detailed risk analysis
10	S03	Training in anti-corruption	c	56 Comprehensive training
10	S04	Anti-corruption measures	c	56 Zero-tolerance approach
1–10	S05	Political opinion forming and lobbying activities	c	58 Market and customers, 79 Political dialogue
	S06	Total value of contributions to political parties, politicians etc.	c	76 Donations policy
	S07	Legal actions for anticompetitive behaviour and their outcomes	c	56 Penalties
	S08	Fines and non-monetary sanctions for non-compliance with laws and regulations	c	56 Penalties
1.8	Product responsibility – management approach (incl. FS15)		c	48 Strategy, 54 onwards Governance, compliance, data protection, 58 Market and customers, 61 Customer satisfaction, product responsibility
1.8	PR1	Life-cycle stages in which health and safety impacts of products are assessed	n <sup>3</sup>	
	PR2	Non-compliance with regulations concerning health and safety	n <sup>3</sup>	
8	PR3	Product and service information	c	61 Product responsibility
	PR4	Non-compliance with regulations concerning product and service information and labelling	c	56 Penalties
	PR5	Practices related to customer satisfaction	c	61 Customer satisfaction
	FS16	Initiatives to enhance financial literacy by type of beneficiary	c	77 General financial education
	PR6	Programmes for adhering to statutory regulations, standards and voluntary codes of conduct governing advertising	c	61 Product responsibility
	PR7	Non-compliance with regulations concerning advertising	c	56 Penalties
	PR8	Total number of data protection complaints	c	56 onwards Data protection
	PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	c	56 Penalties

c = completely, p = partly, n = not at all; AR = 2012 Annual Report    = Additional indicators.

<sup>1</sup> We have not yet reported a breakdown of business by sector as the data is not currently available.

We are planning to collect this data within the next one to two years.

<sup>2</sup> We have not yet reported the number of companies with which we have interacted as the data is not currently available.

It has proved more difficult than expected to collect this data, with the result that we will not be able to report on this matter in 2014 as originally planned, and will probably not be able to do so until 2016.

<sup>3</sup> As Commerzbank is a company in the financial sector, this indicator is not relevant.

<sup>4</sup> We have not reported hours broken down by employee category as the data is not currently available. However, the bank plans to be able to collect the relevant data within the next two to three years.

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This report is also available in German.  
Both language versions and further  
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## Statement GRI Application Level Check

GRI hereby states that **Commerzbank AG** has presented its report "Corporate Responsibility Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 27 August 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large, light-blue watermark of the GRI logo.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

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