

Commerzbank's Sustainability Programme

Progress by end of 2017

Sustainable Corporate Governance

Dimension	Goal	by 12/2017	Comment
Compliance: Fraud prevention and anti-corruption	Ongoing validation and improvement of methods for the early identification of fraud risks, including the further development of data mining applications and decryption technologies in line with the requirements of data protection law	implementation ongoing	Development of the department in the field of data mining and statistical modeling completed. Expansion of the Investigation for mid-2018 in process.
Compliance: Compliance-Management	Establishment of a Global Financial Crime Unit by the end of 2017 in order to further improve the global exchange of information within the Financial Crime Organisation of the Commerzbank Group, carry out global investigations and projects in connection with financial crime and effectively address the globalisation of financial crime	completed	The "Global Financial Crime Unit" gained attention in the bank and by the US Monitor and achieved a recognized business-as-usual status.
	Revision and further development of the Group-wide compliance policy framework by the end of 2017	completed	The revision and further development of the Global Compliance Policy Framework was completed on schedule.

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	Establishment of compliance coordination functions in all segments to reduce business specific risks by 2018	completed	The implementation of the Compliance Coordination Units (CCUs) took place on 1.12.2017. The mandate states that the CCU is responsible for managing and coordinating compliance-related and regulatory requirements.
Compliance: Sanctions and embargos	Development of coordinated standards between banks and supervisory authorities for the handling of payments for humanitarian projects in sanctioned countries (in the European Banking Federation) in compliance with the law	started (<50%)	The discussion that has started within the EBF on humanitarian payments has not yet led to the formation of a working group in order to substantiate further steps.
	Expansion of risk-based checks in the documentary credit business by 2018	implementation ongoing	Development of an application for the evaluation of dual-use goods based on tariff code. Definition of trading corridors with increased risk of sanctions violations. Expansion of the Financial Crime Unit (FCU) and conducting investigative audits to identify risky transactions.
Data protection	Close involvement of the data protection and data security units of Commerzbank from an early stage in the digital transformation of Commerzbank with the goal of making innovative technologies safely available in the context of digitalisation	implementation ongoing	GS-OS data protection supports almost all Commerzbank 4.0 projects. The GS-OS IS Consulting & Research department supports numerous Campus 2.0 projects
	Certification of the Commerzbank information security management system under the ISO 27001 standard by the end of 2018	in process (≥ 50%)	At the end of 2017, Commerzbank was in the pre-audit phase, which serves to identify deviations / shortfalls regarding ISO 27001.
	Early implementation of the legal requirements under the EU Data Protection Regulation and the revised Group Data Protection Policy by 2018	implementation ongoing	The group policy was published on 26.02.2018 in a new version. The most important topics of the EU GDPR were implemented until 25.05.2018. A project on data deletion has been started.
	Commerzbank actively contributes to working groups and initiatives to promote the development of data protection and information security in the industry	implementation ongoing	Commerzbank is a member of the Working Group on Data Protection Law of the German Banking Federation (BdB) and in various working groups on data protection outside the Bank, in which representatives of other banks and insurance companies are also represented. Commerzbank is part of the BdB Competence Center for Security.

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Employees: Diversity and equal opportunity	Inclusion of Commerzbank in the "Gender DAX" again in 2017	completed	Commerzbank was again included in the "Gender Dax". This is a joint project with 33 other companies, which started in 2005 and is funded by the Ministry of Family Affairs.
	Funding of up to 120,000 euros for activities of the eight employee networks in Commerzbank	implementation ongoing	Provision of more than 120,000 euros for activities of Commerzbank's eight employee networks, in which around 1,500 members are involved nationwide and sometimes internationally on various diversity topics. It is about the dismantling of prejudices, the further development of topics, the social commitment, but also about the mutual learning and the dialogue.
	Confirmation of the "Audit Beruf und Familie" (Career and Family Audit) in 2017	completed	The "Audit Beruf und Familie" supports companies in the sustainable implementation of a family-friendly personnel policy. Commerzbank has participated in the auditing since 2000 and is one of only five companies to receive the certificate for the sixth time in succession.
	Development of a "Disability" action plan to promote inclusiveness in Commerzbank by 2018	in process (≥ 50%)	The "Action Plan for the Inclusion of Persons with Disabilities" was presented to the public during the 6th German Diversity Day on 5 June 2018. Commerzbank is the first bank in Germany to draw up an action plan based on the UN Disability Rights Convention in the sense of a voluntary self-commitment. The action plan describes goals and measures that are to be implemented over the next 5 years (including improved communication accessibility, awareness among executives and employees, consideration in purchasing guidelines, etc.) along 7 action areas.
	Increasing the share of women in management positions to 17.5% on the first management level, 20% on the second management level, and 35% across all management levels by the end of 2021	started (<50%)	First management level below the Management Board: 14.3%. Second management level below the Management Board: 16.3%. Across all management levels 30.7% (Group) and 28.6% (Commerzbank AG Germany)
	Participation of 500 employees and managers in the Commerzbank diversity events by 2018	implementation ongoing	More than 1,400 employees and managers took part in 61 diversity events and workshops.

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Employees: Health and safety	Performance of regular risk assessments in Commerzbank AG Germany in the context of a preventive approach to employees' psychological and physical health	completed	Since the beginning of 2018, the responsible persons for the implementation of the risk assessment have been advised and supported professionally in the process by the creation of a specialist team.
	The Employee Assistance Programme (EAP), available to 100% of all employees of Commerzbank AG Germany and the 100% subsidiaries as well as dependants living in their households, provides comprehensive health advice in case of occupational and personal challenges	completed	For many years, EAP has been a tried and tested product among companies in Germany and its major subsidiaries. Since the beginning of 2016, the ComTS companies have been using EAP as a flexible approach to stress prevention.
	Availability of a regular health check-up for 100% of senior staff of Commerzbank AG Germany in the form of a thorough one-day medical examination	implementation ongoing	The health check-up can be booked every two years for all officers and was claimed by 21% of the beneficiaries in 2017.
Employees: Employee engagement	Secondment of up to 1,000 employees from across the Bank to the Digital Campus by 2018 for direct participation in shaping Commerzbank 4.0	implementation ongoing	The employee composition and number of the Digital Campus changes regularly depending on the order and project situation.
	Development and implementation of conditions for Working World 4.0 by 2020 , for example the adaptation of personnel management instruments, shared leadership, increased working time flexibility, technology for mobile work	started (<50%)	Analyzes on implementation statuses of "Working World 4.0" carried out in other companies, specific Commerzbank requirements checked.
	Regular management and employee surveys and assessment of possible recommendations for action, in particular the Bank-wide employee survey in 2017 on strategy, corporate culture, employee attitudes, etc.	implementation ongoing	Regular interviews of executives and management on strategy 4.0 and corporate culture. Expansion to additional leadership and focus group employees currently under discussion.
Employees: Training and development	Development of a training format to reinforce a "Culture of Integrity" throughout the Group by 2017	in process (≥ 50%)	Rollout in May 2018

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	Ongoing development and adaptation of training formats with regard to new contents on trends and the related challenges, e.g. digitalisation, adaptability, including the adoption of modern learning methods	started (<50%)	First formats have already been developed. In addition, various formats generated from task forces were initiated as pilot formats (for example, reverse mentoring, #DLC, digi-sessions, etc.).
	Empowerment of 100% of employees working in the campus to use agile working methods	implementation ongoing	As part of the digital campus, all employees work continuously with agile working methods. The corresponding formats are carried out regularly. The product clusters are accompanied by Scrum Master, which regularly informs both Cluster Leads and Product Owner, as well as the Scrum teams, about the need for optimization. In addition, there are various information formats within the framework of the Digital Campus, which are regularly used by employees to broaden their own experience of agile work formats.
	100% of managers on levels 1 and 2 to be informed annually of political, economic, social and cultural megatrends within the framework of the management dialogue, including identification of measures in response to the megatrends for own areas of responsibility in cooperation with the Management Advisor	started (<50%)	As the Management Dialogue is currently paused, there are no megatrend-related activities via this format.
Employees: Compensation and employee benefits	Development of a systematic concept for inclusion of sustainability criteria in the selection and development of employee benefits	not started yet	Due to a temporary transfer of the assigned employees to the HR Campus (Benefits-Journey) temporarily postponed
	Offer of pre-configured electric car for all employees entitled to a company car	completed	Offer was implemented in September 2017 and is available on an ongoing basis
	Regular check of compensation system to ensure competitive and attractive conditions for employees	in process (≥ 50%)	Modification of compensation system / model: conception phase completed, board resolution obtained, supervisory board informed

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	Ensuring competitive compensation through the implementation of target group-based compensation brackets based on career levels and career paths	started (<50%)	Compensation ranges basically implemented; Adjustment is made depending on the committee negotiations on the modification of the remuneration systems
	Improvement of equal opportunities for men and women by enhancing the flexibility of the "Keep in Touch" model	in process (≥ 50%)	Decision by committees of the bank is pending
Employees: Work-life balance	Providing up to 2.6 million euros to implement measures in the interests of a better work-life balance for families in 2017	implementation ongoing	provided in 2017
	Implementation of measures for 100% of managers and employees to avoid the health risks of an "always on" working culture	started (<50%)	A concept for information and sensitization of managers and employees is available.
	Completion of scientific evaluation of the quality services in Commerzbank childcare offerings by 2018	completed	Conducting the evaluation in 2017, communicating the results in 2018
Sustainability management: CR reporting and ratings	Top 20% placement in the banking sector in sustainability ratings in Europe and the world by 2020	implementation ongoing	Commerzbank clearly outperformed in all ratings with active participation (see next goal).
	Expansion of active participation in important sustainability ratings	implementation ongoing	In 2017, Commerzbank actively participated in the ratings of MSCI, Oekom Research, Sustainalytics, imug EIRIS and CDP.
	Bring about full transparency on sustainability performance of material subsidiaries by 2020	started (<50%)	With the first non-financial report 2017 in accordance with the CSR Directive Implementation Act, Commerzbank has been granted transparency regarding the Group's sustainability performance of its major subsidiaries Commerz Real, comdirect and mBank
Participation in public policy development	Establishing a regular stakeholder dialogue on social and economic issues in order to discuss the Bank's role in society	implementation ongoing	With the series of events "Commerzbank in Dialog 4.0", the regular "Political Breakfast" and the series of talks entitled "mittags.werkstatt", Commerzbank continued to promote dialogue with representatives of politics, society, science and business in 2017 in terms of social and economic policy Subjects.

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	Conducting an information event for analysts, rating agencies and representatives of NGOs by 2018 to highlight Commerzbank's participation in public policy development	started (<50%)	An appropriate event format is being planned.
Reputational risk management	Expansion of internal training and awareness-raising measures on reputational risk management	implementation ongoing	In 2017, the Reputational Risk Management department sensitized domestic and foreign entities through videoconferencing and workshops on reputational risk issues. With internal publications (eg newsletters), Reputational Risk Management also provides information on companies, projects and general topics that are increasingly the focus of society, non-governmental organizations and the media.
	Regular updates of positions and directives	implementation ongoing	In 2017, work began on developing a framework for dealing with environmental and social risks in Commerzbank's core business, which has been published since March 2018. The framework lists the Bank's current positions and policies and provides detailed information on the general exclusion criteria. In addition, the Bank has published a new position on ship dismantling both within the framework and on its external websites.
	Ongoing tracking of socially and environmentally relevant issues and processes and their inclusion where appropriate in reputational risk management (early recognition)	implementation ongoing	Studies and reports on social, environmental and ethical topics were analyzed after publication and, if necessary, included in the reputation risk process.
	Regular optimisation of reputational risk management strategy as part of overall risk strategy	implementation ongoing	The reputation risk strategy was updated as part of the annual partial risk strategy. Among other things, this involved regulatory changes and the function of reputation risk management.
	Continual development of the voting and reporting processes of reputational risk management	implementation ongoing	The processes have been continuously reviewed and adapted to the increasing demands on reputation risk management as needed.
	Intensified communication with relevant external stakeholders and NGOs on social and environmental risks	implementation ongoing	Also in 2017, there were contacts and discussions with representatives of non-governmental organizations as well as other civil society organizations.

Markets and Clients

Dimension	Goal	by 12/2017	Comment
Emissions trading	Annual consultation for corporate clients on current international developments with regard to emissions trading and carbon pricing inside and outside the European Union	implementation ongoing	Commerzbank advises corporate clients comprehensively and knowledgeably on current international developments in emissions trading and carbon pricing.
	Implementation of first advisory mandates on climate neutrality for Commerzbank clients in 2017	started (<50%)	First advisory mandates and trades were implemented in 2017
	Promotion of supranational discussion and cooperation on carbon pricing standards	implementation ongoing	As a participant in European emissions trading scheme, Commerzbank is involved in the World Bank's Carbon Pricing Leadership Coalition (CPLC)
Helping to shape the energy transition	Providing 2.5 billion euros for direct or indirect financing of renewable energy sources through new Commerzbank business by 2020	started (<50%)	In 2017, new business worth 704m euros was arranged.
	Actively working to inject the financial market perspective into discussions in forums and dialogue platforms relevant to the success of the energy transition	implementation ongoing	Contributions to COP23, the Vietnam Central Bank, associations and selected publications
	Significantly improve transparency on existing public subsidy programmes with our corporate clients by the end of 2017	implementation ongoing	Improvement of advisory (ComFin) and administration software (BeDarV); The first qualification modules were provided in Digital Learning. Currently under revision.
	Significantly speed up the application process for public subsidy programmes by the end of 2018	in process (≥ 50%)	Preparation for the rollout of the first modules
	Steadily expand the volume of loans disbursed to our corporate clients under the KfW energy efficiency programme	implementation ongoing	Volume of loans from the energy efficiency program declined slightly; Energy efficiency measures were also funded through the newly introduced Digitalization and Innovation Credit. Volume is not quantifiable. According to expert estimate financing of energy efficiency measures stable.

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Financial inclusion	Maintaining branch density in Germany: 70 percent of our clients are within 10 kms of the nearest Commerzbank branch.	implementation ongoing	Our goal is an efficient, nationwide branch network with differentiated branch models.
	100% coverage with talking ATMs at Commerzbank branches by 2018	completed	In December 2017, there were still 2 ATMs in use, which do not support speech output. Both devices were replaced in January 2018 against vending machines with voice output.
	Using understandable and solution-oriented language in customer communications: continual improvement of communication tools and product information for customers with a minimum readability index based on the specific information category (basis: Hohenheim Understandability Index for German texts)	implementation ongoing	Continuous verification of customer information regarding comprehensibility with the help of the Hohenheim Understandability Index.
Green bonds	Active support of development of the green bond market through regular implementation of and participation in workshops and information events and as a member of various green bond interest groups	implementation ongoing	Commerzbank AG cooperates with relevant interest groups and trade associations. It actively contributes to the further development of the market for "green" bonds.
	Support for our clients in preparing and placing green bond transactions	implementation ongoing	In 2017, Commerzbank supported nine Green and Sustainable Bond transactions with a total volume of € 5.5bn.
Lending business with retail customers	Ensuring repayment quota of 99% p.a. in the long term as proof of responsible lending in the private mortgage business	implementation ongoing	Target reached, development stable

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Customer dialogue and customer support	Development of web-based training for advisors with a focus on sustainable investments by 2018	not started yet	Deferred since resources tied to qualification in MiFID2 and ONE.
	Further development of the Customer Compass for retail customers by the end of 2018 , based on the regulations in the DIN standard for "comprehensive private financial analysis" expected to be released as of 2018	implementation ongoing	Design prototype in creation and programming.
	Continual development of measures and formats for involving customers in the development of new products and services	implementation ongoing	With new working methods such as agile working or design thinking, customers are involved in the development of new products and services at an early stage. In 2017, we built the Customer Solution Lab to test new product and service ideas in the real world and directly with customers.
Customer communication	Increased marketing communication on sustainability and sustainable finance	not started yet	Restructured due to reduced human resources in the course of the restructuring.
	Increasing transparent communication: Further reduction in restrictive disclaimers / footnotes	implementation ongoing	Reduction depends on product design and the legal framework.
	Inclusion of relevant certifications / seals of approval on all printed materials by 2020	started (<50%)	Implementation at 100% for calendars and Christmas cards as well as for all new and post-production greeting cards by the end of 2017.
Customer satisfaction	Securing top annual placements of Commerzbank in important independent rankings on customer satisfaction and the quality of customer advice	implementation ongoing	CityContest won again and awarded as Best Bank by QIDF(Gesellschaft für Qualitätsentwicklung in der Finanzberatung)
	Net Promoter Score (customer satisfaction standard) of over 45% on an ongoing basis	implementation ongoing	The NPS in 2017 was well above the target of 45%. Over 60% of the customers surveyed are so satisfied with Commerzbank that they would recommend the bank.
Asset management	Further expansion of sustainable asset management product offerings by 2018	in process (≥ 50%)	Concept for sustainability fund started, detailed planning in Q1 2018.
	Triple the share of sustainable investments in the total volume of assets under management for retail customers by 2020	in process (≥ 50%)	Inflows into NH VV continue, further measures planned for Q2 2018

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	Formulating a target value for the percentage of sustainable product components across all product groups by 2018	not started yet	
Securities	Launch of up to five new sustainable funds for retail customers by 2018	in process (≥ 50%)	Two funds on the voting list.
	Establishment of transparency on the carbon footprint associated with the retail fund products by 2018	started (<50%)	Auditing is carried out using the Climetrics rating (carbon footprint) for the Commerzbank fund range.
	Development of a sustainability model portfolio in the PremiumFondsDepot by 2019 (proviso: if possible with appropriate asset allocation by 2019)	not started yet	Due to missing allocation solutions (matching funds) deferred
	Launch of a sustainable ETF by the end of 2017	completed	Launch of the ishare STOXX Global Select Dividend 100 (ETF) with above-average Morningstar Sustainability Rating.
	Launch of several securities-based savings plans with sustainable investment funds for retail customers by 2018	implementation ongoing	For all sustainability funds on the voting list the conclusion of a savings plan is possible

Environment and Society

Dimension	Goal	by12/2017	Comment
Environment: Energy and emissions	Expansion of LEED certification of owned properties, subject to ecological and economic criteria	implementation ongoing	
	Consideration of resource efficiency in all new construction and leased properties	implementation ongoing	Resource efficiency is taken into account in new buildings and rentals
	Annual budget of at least EUR 200,000 to fund energy efficiency measures in buildings	implementation ongoing	
	Increased use of LED technology in branch and office properties when economically appropriate	implementation ongoing	Implemented at selected locations.
	Contractual incentives for external facility management service providers to introduce energy saving measures by 2017	completed	Contractually implemented or fixed with service providers
	Development of a new climate target by 2019	started (<50%)	Analysis of the external requirements for a climate target and an analysis of the development of CO2 emissions according to scopes and consumption levels has been carried out.
	70% reduction of CO2 emissions of Commerzbank AG Germany by 2020 vs. baseline year of 2007	in process (≥ 50%)	Reduction of CO2 emissions by 67.8% by the end of 2017.
8% reduction of energy consumption by 2020 vs. baseline year of 2014	completed	Implemented measures to reduce energy consumption. Savings of 13.9% realized by the end of 2017.	
Environment: Green IT	As of 2018 , Commerzbank will apply energy efficiency as a criterion in all data centre tender processes	completed	Completely implemented and applied with first call 2018.

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	As of 2018 , Commerzbank will apply energy efficiency as a criterion in all large IT tender processes	completed	Completely implemented and starting with the first call 2018 applied.
Environment: Customer communication	Significant improvement of sustainability of all marketing communication to our corporate customers by 2020	not started yet	Reprioritized due to reduced human resources in the course of the restructuring.
	By 2020 the range of materials will consist of 65% sustainable advertising articles. The subscription of materials will be incrementally optimised in terms of CO2 emissions	started (<50%)	Measures taken to optimize CO2. Reduction of Far East productions
	The paper-based calendars and cards will be reduced by 30% by 2020	in process (≥ 50%)	From 2017 to 2018 reduced by 16.6%
Environment: Mobility	Adding sustainability information to travel planning applications (e.g. CO2 emission comparisons of modes of transport) by 2018	not started	For technical reasons, currently only possible when selecting the means of transport train, but then there is a comparison train / flight / car
	From 2018 , all international contract hotels of the Bank must have an environmental programme in place to be included in the hotel programme (implemented in Germany in 2017)	completed	All hotels had to answer a questionnaire. For inclusion in Commerzbank's hotel programme, at least three questions had to be answered.
	Introduction of a permanent electromobility offering for leasing vehicles / Bank cars available to non-pay scale employees by the end of 2017	completed	Since September 2017, two electric vehicles permanently in leasing available to non-pay scale employees.
	Promotion of environmentally friendly vehicles in company leasing through continual review of bonus/malus regulation	implementation ongoing	The bonus-malus regulation was also reviewed in 2017. An adaptation was not necessary.

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Environment: Resources	Completion of awareness raising measure for employees on environmentally friendly resource consumption in 2017	in process (≥ 50%)	Film for employee awareness in preparation.
	Use of environmentally friendly coffee cups in all German locations by 2018	started (<50%)	Various solutions discussed, changeover planned for 2018
	Increase in sustainable options in canteens and heightened employee awareness	implementation ongoing	Among other uses of locally produced food, MSC certified fish and UTZ certified coffee
Social responsibility	Development of a methodology to quantify the value contribution of our social commitment by 2020	started (<50%)	Various approaches and models were examined and participated in specialist conferences on this topic
	Develop pro bono concept by 2018 and complete pilot project by 2020	started (<50%)	Conception and implementation of a pilot project for candidate coaching by employees of Commerzbank. Ongoing development of existing corporate volunteering programs in the fields of sports and education
	Increase quota of employees taking part in loose change initiative to 50% by 2020	started (<50%)	In the first year, around 18,000 euros were distributed to three projects.
	By the end of 2020 , Commerzbank will pay out a total of 1 million euros within the programme "Das Grüne Band" to 200 prize winners (associations) as funding for the development of young talents provided directly to the associations	implementation ongoing	In 2017, a total of 250,000 euros were distributed to 50 clubs.