

Development **GRI** Performance Responsibility  
Climate NGO Green Bond Target Respect GRI  
**Emissions** Impact COP21 Ethics  
Customer **Climate Change** NGO  
Green Bond SDGs Value Added  
Protection Target Respect Climate  
**Diversity** Development Support  
Emissions **Responsibility** NGO Value Added  
Compliance ISO 14001 Carbon Impact COP21  
**High Level Expert Group (HLEG)** CSR-RUG  
Green Bond Target Performance **Respect** SDGs  
GRI **Climate Protection** Diversity Compliance  
Performance Responsibility Audit **Emissions**  
Ethics Climate Change **Customer** SDGs Claim  
**CSR-RUG** GRI High Level Expert Group (HLEG)  
Support Compliance ISO 14001 Carbon Audit  
Impact Protection **Ethics** Diversity Customer

100 Jahre  
**Deka**

# **Deka Group**

## Sustainability Report 2017

# Deka Group – Key Figures 2017

## BUSINESS DEVELOPMENT INDICATORS

		31 Dec 2016	31 Dec 2017
Balance sheet total	€m	85,955	93,740
Total assets	€m	256,805	282,888
thereof retail customers	€m	128,650	138,951
thereof institutional customers	€m	128,155	143,937
Number of securities accounts	(thousand)	4,289	4,357

		2016	2017
Net sales <sup>1</sup>	€m	16,914	25,671
thereof retail customers	€m	7,710	12,309
thereof institutional customers	€m	9,204	13,362

## SUSTAINABILITY RATING<sup>2</sup>

Sustainalytics	points	73	83
MSCI ESG		AA	AA
oekom research		Prime C+	Prime C+
imug		Positive	Positive

## SUSTAINABLE PRODUCTS

Volume of sustainable retail funds	€bn	2.1	2.7
Managed capital in sustainable products (securities)	€bn	10.1	10.9
Share of certified buildings in property funds <sup>3</sup>	%	62	68
Sustainable investment volume of Depot A proprietary investments	€bn	18.2	17.1

## SUSTAINABLE HR MANAGEMENT

Number of employees	group-wide	4,406	4,492 <sup>4</sup>
	Germany	3,993	4,094
Proportion of women in Germany	%	39.1	39.2
Proportion of women in leadership positions in Germany	%	18.8	19.7
Part-time ratio in Germany	%	16.8	17.5
Turnover rate in Germany	%	3.1	3.1
Financial cost of further training in Germany	€/employee	973	900

## SUSTAINABLE BANKING<sup>5</sup>

Power consumption	kWh	11,531,527	11,457,159
Energy consumption	kWh	20,056,894	18,791,438
Paper consumption <sup>6</sup>	t	530	788
Drinking water consumption	m <sup>3</sup>	34,954	39,128
Volume of waste generated	t	302	241
Business trips (group-wide)	km	21,997,834	23,521,951
Greenhouse gas direct	kg	1,815,069	1,844,898
Greenhouse gas indirect	kg	5,016,864	4,844,680
Greenhouse gas other indirect	kg	3,361,295	3,898,611
GHG <sup>7</sup> -emissions (total)	kg	10,193,228	10,588,189

## CORPORATE CITIZENSHIP

Expenditure for foundations, donations and sponsoring	€m	1.36	1.53
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<sup>1</sup> From 1.1.–31.12.

<sup>2</sup> Last updated: Sustainalytics: 13.11.2017; MSCI ESG: 27.04.2016; oekom research: 07.09.2016; imug: 28.02.2018 (Uncovered Bonds positive (B), Mortgage Covered Bonds (BBB), Public Sector Covered Bonds positive BB); see section "Sustainable Corporate Governance".

<sup>3</sup> See section "Sustainable products".

<sup>4</sup> The 157 employees of S Broker are not included and are listed separately in the Section "Sustainable HR management".

<sup>5</sup> Figures (excluding service travel and paper consumption) refer to the three buildings in Frankfurt am Main.

<sup>6</sup> Comprises: Letterhead, pre-printed documents, envelopes, forms, copier paper (general office paper), promotional printed materials/publications.

<sup>7</sup> The GHG Protocol covers five other greenhouse gases in addition to CO<sub>2</sub>: Methane, nitrous oxide, sulphur hexafluoride and two groups of fluorinated hydrocarbons.

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# 1. Preface

**Ladies and Gentlemen,** in its Global Risks Report 2018, the World Economic Forum (WEF) has not only described the various global risks emphatically, but has also made it clear that it is becoming increasingly difficult to circumvent the increasing cross-linking of the risks and to keep up with the rapid change. In Deka's 100-year history, it has experienced numerous social and political developments, partly even massive upheavals. If one wants to operate successfully in the market over such a long period, one must not only closely observe political and social developments as well as the developments in the market and among the customers, but also absorb and shape these developments actively.

We too are required to do this in case of the pleasing dynamics in the discussion around the anchoring of sustainability in the financial market, which we have experienced in the year under review. At the European as well as the national level, there were a number of new initiatives, which work on defining targets, designing structures and conceiving concrete measures to achieve two objectives: increasing the stability of the financial market by considering sustainability aspects and, at the same time, strengthening the contribution of this market for a climate-friendly, resource-saving and social economy. Networking of the players is, according to our assessment, a reasonable and important answer to the cross-linking of risks described by the WEF.

At the European level, the work of the High Level Expert Group on Sustainable Finance must be highlighted in this respect. By order of the European Commission, it has worked out recommendations for a stronger integration of sustainability factors into the financial market and submitted its final report at the end of January 2018. Michael Schmidt, Managing Director of Deka Investment GmbH, was the only representative of the German finance sector to be appointed in this top-level committee.

Two initiatives, namely the Green Finance Cluster Frankfurt e.V. and the Hub for Sustainable Finance (H4SF), were founded in the German financial market. These initiatives seek to combine discussions and develop starting points and strategies as to how the financial economy can accompany the transition to a sustainable economic system more actively. Deka is actively collaborating in these two initiatives.

In the year under review, the regulatory framework conditions for sustainability reporting have also shown a dynamic further development. After the Bundestag and the Bundesrat passed the CSR Guideline Implementation Act (CSR-RUG) in spring 2017, larger capital market-oriented companies are obligated since the start of 2017 to publish an annual non-financial declaration. In this declaration, they must make it clear as to how they ensure, for instance, the compliance with labour standards and human rights as

well as environmental and climate protection. The Deka Group fulfils this new obligation with this Sustainability Report. As in the previous year, the Sustainability Report is based on the guidelines of the recognised Global Reporting Initiative (GRI), version G4 including industry-specific supplements for financial service providers. The GRI Content Index can be found on our website [www.deka.de](http://www.deka.de).

Although so-called non-financial aspects are discussed in the CSR-RUG, for instance, regarding climate and environmental protection, an increasing number of investors assume that the consideration of sustainability criteria results in better investment decisions and thus, definitely has a financial dimension. To get reliable information for their corresponding investment decisions, investors commission specialised sustainability rating agencies with the assessment of companies on the basis of extensive sets of criteria. We are pleased that in the year under review, these agencies have again certified us with a commitment level that is outstanding in the cross-sectoral comparison. We are particularly pleased that the global agency Sustainalytics has moved its rating considerably upwards and now classifies the Deka Group in the best-possible "Leader" category for the first time.

Such a success is a fruit of the commitment of our employees. With the code of ethics, which was comprehensively revised and complemented in the year under review, we have already created a binding orientation framework for this commitment a few years ago. New inclusions in the code in 2017 are, among others, notes on the growing importance of an offer of sustainable products and services as well as on the compatibility of career and family.

Actively supporting the professional development opportunities of women is an important concern for the Deka Group since many years. To underline our ambitions, we have committed ourselves in 2017 to implementing the UN Women's Empowerment Principles; these are principles for ensuring the equal treatment of women in the professional context. The seven principles were

worked out within the scope of a cooperation of the UN Women Organisation and the UN Global Compact.

We shall report the progress of the implementation of these principles regularly and transparently in our Sustainability Report, as we are already doing with regard to the progress in case of the ten principles of the UN Global Compact. These concern the fields of human rights, labour standards, environmental protection and fight against corruption and thus, incidentally address the same aspects as the mentioned act on non-financial reporting.

This Sustainability Report with its overview of the numerous measures of the Deka Group in the area of its social responsibility shows that quite a lot is happening not only in the financial market about the topic of sustainability. In 2018 too, we shall work intensively on maintaining this momentum – in the Deka Group as well as in the financial market.

With best wishes



Michael Rüdiger  
CEO



## 2. Sustainable corporate governance

Sustainability has become an integral component of the business-policy orientation of the Deka Group at the latest with the decision from 2015 of foregoing a separate sustainability strategy and anchoring corresponding targets and measures into the business strategy. This implies the requirement of anchoring sustainability aspects into all relevant areas of activity. Besides the HR management, the banking operations and the social commitment, this particularly refers to the development of products and services, which meet the sustainability-related requirements of our customers. The business model of the Deka Group offers numerous starting points for this.

### 2.1

#### Business model

DekaBank Deutsche Girozentrale is a federal institution under public law. DekaBank, together with its domestic and foreign subsidiaries, forms the Deka Group. DekaBank is completely owned by the German savings banks. 50 percent of the shares, which were indirectly held by the state banks up to 2011, are held through Deka Erwerbsgesellschaft mbH & Co. KG. The savings banks have bundled their shares therein through the regional savings banks and clearinghouse associations held by them. The remaining 50 percent of the shares are held by the German Savings Banks and Giro Association (DSGV ö. K.).

DekaBank is the Wertpapierhaus of the savings banks. Through the activities in asset management and the banking business, it is a service provider for the investment, administration and management of assets and supports the savings banks and their customers along the entire securities-related investment and consultancy process. Moreover, it offers the savings banks as well as institutional customers outside the Sparkassen-Finanzgruppe an extensive range of consultancy and solutions for investment, liquidity and risk control as well as refinancing.

The business model of the Deka Group is characterised by the interaction of asset management and the banking business. As asset management products, the Deka Group offers security funds, real estate funds and loan funds as well as certificates, including the corresponding services of asset management for private and institutional investors. The special assets in asset management and the institutional customers are thereby supported in their asset management as well as in capital, liquidity and risk control. In this context, the Deka Group acts as financier, issuer, structurer, trustee, asset-servicing provider and custodian bank.

SEE FIGURE 1

DekaBank has arranged its activities in five business divisions: Asset Management Securities, Asset Management Real Estate, Asset Management Services, Capital Market and Financing. They work closely together with one another and with the Savings Banks Sales & Marketing head office unit and the Corporate Centres.

### 2.2

#### Strategic and organisational anchoring of sustainability

At the end of 2014, the Board of Management of DekaBank decided to forego a separate sustainability strategy from the 2015 financial year and to establish these specifications as part of the business strategy. This made sustainability a core part of the business policy orientation, transparent to the Board of Management and supervision. In implementation of this decision, sustainability projects were integrated into the strategic transformation programme D18 at the end of 2015. The aim of the programme is the further development to the Wertpapierhaus of the savings banks to the year 2018, in which Deka celebrates its 100th anniversary.

Within the scope of the programme, progress could be achieved in all five areas of activity of sustainability management. This includes the integration of climate objectives into the business strategy and the integration of sustainability aspects into the investment process of securities as well as the constant increase in the proportion of real estate distinguished by sustainability certificates.

The Sustainability Management Department is part of the Board Staff & Communication division in the department of the Chairman of the Board and coordinates all corresponding activities in the Deka Group on behalf of the Board. It is the point of contact for all organisational units and undertakes this function vis-à-vis all external stakeholders as well – particularly companies and institutions in the Sparkassen-Finanzgruppe, sustainability rating agencies and non-governmental organisations. SEE FIGURE 2

FIGURE 1

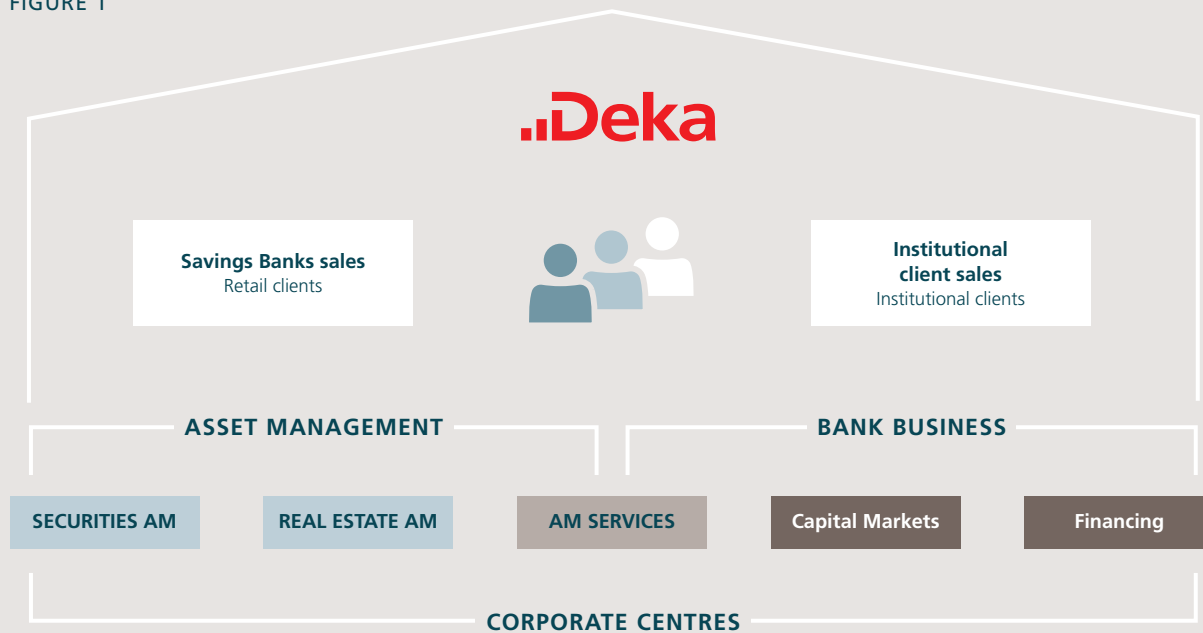
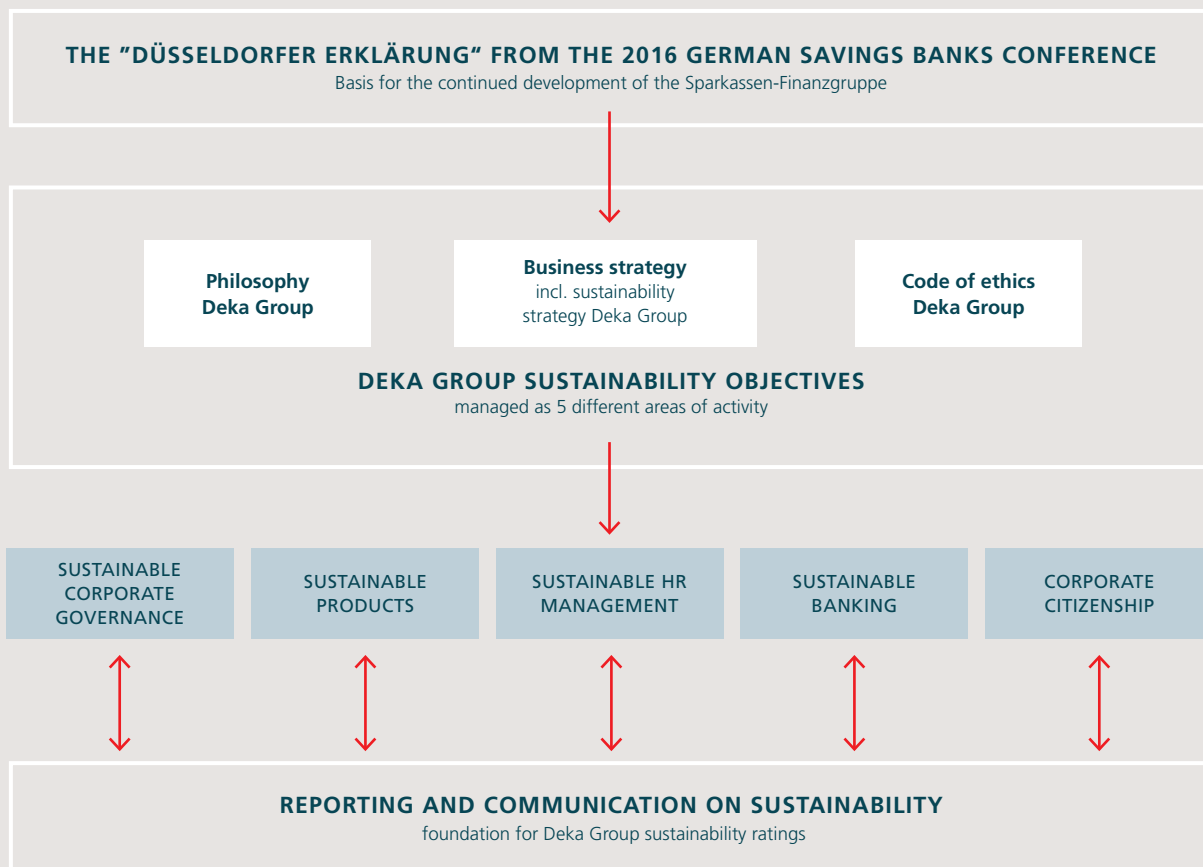


FIGURE 2



## 2.3

### Stakeholder dialogue and materiality analysis

Within the scope of the reporting according to the internationally recognised GRI G4-Standard, DekaBank already held independent surveys of its stakeholders – particularly customers as well as employees – in the years 2015 and 2016. The aim of the surveys was to learn more about the importance attached by the respondents to the different areas of activity of sustainable corporate governance and about how they assess the level of the sustainability performance of the Deka Group in the respective area of activity. The first survey in 2015 was carried out in cooperation with different savings banks associations. In order to map a development since 2015, DekaBank has, in the current survey, concentrated on the stakeholder groups of employees, customers and experts identified in 2015 in cooperation with imug and the savings banks associations.<sup>8</sup>

In the year under review, DekaBank has again commissioned imug Beratungsgesellschaft with an individual survey. A total of 496 persons have participated in the online survey. Out of these, employees were the largest individual group with a share of 70 percent; 19 percent of the participants were Deka customers, while 11 percent were sustainability experts and other stakeholders. Due to the relatively high involvement of the employees, the results of the current survey are only limitedly comparable with those of the previous surveys. Nevertheless, there are large overlaps in case of the question as to which services of Deka have a particularly high relevance for sustainability from the perspective of the respondents. The following infobox gives an overview of the services, which the surveyed stakeholders consider to be particularly relevant.

#### RELEVANT SUSTAINABILITY TOPICS AT DEKA\* Results of the Stakeholder Survey 2017

"VERY RELEVANT ISSUES"	Section
Consideration of social and environmental aspects in proprietary investments	3.1
Energy conservation and climate protection	5
Fair and attractive employer	4
Fairness towards customers	2.8, 3
Offer of sustainable savings and investment products	3.1
Serious and reliable business management	2

\* in alphabetical order

"After the two surveys about essential sustainability topics together with individual savings banks associations and institutes in 2015 and 2016, Deka has commissioned imug Beratungsgesellschaft this year with an individual survey. The stakeholder survey of 2017 builds on the knowledge from the first studies, but also raises the rating for the effects of the business operations on the environment and society in the course of the CSR Guideline Implementation Act of the German Bundestag and the requirements of the GRI. The results provide Deka with important insights into the stakeholders' expectations of an active offer of sustainable products, of the transparency of the sustainability services as well as the credibility of the in-house commitment to sustainability. And among others, the Deka employees have very actively articulated here as to what makes up a fair and attractive employer for them."

**DR. ANNIKA SCHUDAK, in-charge for stakeholder and materiality surveys,  
imug Beratungsgesellschaft mbH**

<sup>8</sup> Employees of Deka; customers: private customers of the savings bank, corporate customers, institutional customers of Deka; experts: rating agencies, financial market experts, associations and unions, science; others: suppliers/service providers of Deka, miscellaneous



## 2.4

### Sustainability communication

Sustainability issues are an integral part of the communication strategy of the Deka Group and a regular part of communications with all relevant stakeholder groups of the business. Deka promptly informs stakeholders, whether shareholders, customers, employees or the general public, about sustainability-related events and developments. Deka uses the entire spectrum of available communication channels, from employee media through press appointments to customer events.

The Sustainability Report is a central part of the sustainability communication. The Deka Group is, like numerous capital market-oriented companies, insurance companies and credit institutions, obligated through the "Act for strengthening the non-financial reporting of the companies in their management and group management reports (CSR Guideline Implementation Act)" passed in the spring of 2017 to prepare a so-called non-financial statement for the first time for the financial year 2017. Details about the implementation of this obligation are regulated in the Commercial Code (HGB).

The focus is on the obligation to discuss at least environmental, employee-related and social issues, compliance with human rights as well as fight against corruption and bribery within the scope of the non-financial reporting. The assessment of the importance of these topics from the perspective of the Deka Group (internal viewpoint) is documented in the digression "Content requirements of the CSR Guideline Implementation Act (CSR-RUG)" (SEE P. 8). In this Sustainability Report 2017, the Deka Group reports beyond these aspects stipulated by the CSR-RUG about further targets and measures, which different stakeholders consider to be essential for the understanding of the sustainability-related commitment and the effects of Deka on the environment and society.

The Sustainability Report is based on the guidelines of the Global Reporting Initiative (GRI), Version G4, as well the sector-specific supplements relevant for financial service providers (Financial Services Sector Supplement). The GRI is a globally recognised guideline for sustainability reporting. The Sustainability Report of Deka corresponds to the "Core" reporting level and was checked by an independent expert pursuant to the CSR-RUG. This year, the check also includes the compliance of the Sustainability Report with the requirements of the CSR-RUG for the first time. Since 2013, Deka also prepares a statement of compliance within the scope of the German Sustainability Code, which is published on the website of the German Council for Sustainable Development (RNE).

## 2.5

### Regulations and standards

#### Code of ethics

In the year under review, the code of ethics of the Deka Group was extensively revised by the Compliance division in cooperation with the Sustainability Management unit. It is a binding framework for all internal employees, managers and the Board of Management as well as for third parties operating on behalf of the Deka Group.

Within the scope of the revision, the aspects of "Avoidance of market manipulation and finance criminality" as well as "Violations of financial sanctions and embargoes" were integrated into the code mainly for the cornerstone of "Integrity". In the cornerstone of "Sustainability", notes on the accession to the UN Global Compact as well as on the growing importance of a range of sustainable products and services for the customers of Deka were added. The importance of the compatibility of career and family for Deka is underlined through the inclusion of a corresponding note in the cornerstone of "Respect". The code can be viewed in its current version on the Deka Group website.

Compliance with the requirements of the code has already been uniformly verified for all employees of the Deka Group since the previous year. For this, the annual performance assessment of the employees was extended by the "Assessment of good conduct according to the code of ethics" module. The relevant manager evaluates with the help of the code of ethics as to whether the behaviour of the employee in the assessed financial year complied with the code. This evaluation is included in the bonus calculation. Particularly serious violations of the code of ethics may lead to employment measures, civil and criminal procedures up to and including termination of contract.

#### External regulations and standards

In addition to internal guidelines of behaviour, the commitment of the Deka Group to sustainable development is also emphasised by the recognition of national and international standards. This includes the accession to the UN Global Compact in 2011 and the consequent obligation to implement the ten principles of responsible corporate governance. They relate to human and labour rights, environmental protection and the fight against corruption and thus, to the aspects that are defined as relevant aspects even in the CSR-RUG.

DekaBank has also committed to complying with the Equator Principles (EP). The focus of these principles is the consideration of social and environmental standards in international project financing. In 2016, Deka accompanied a total of five financings under the specifications of the EP; of these, three were in the field of infrastructure and two in the field of energy supply. All five projects were classified into category B, which covers projects with limited

social and environmental effects. DekaBank reports annually on the implementation of the principles in the relevant financings. The corresponding report is published on the EP website. The report for 2017 shall be published in the second half of 2018. More information about the consideration of sustainability criteria in lending can be found in chapter 3.3.

In order to adhere to the standards of responsible investment, the signatories commit to observe the Principles for Responsible Investment (PRI), which Deka Investment GmbH has observed since 2012. The principles provide for the integration of social and environmental criteria and criteria related to good corporate governance in the analysis and decision-making processes in capital investment. Derived from the three areas, "environmental, social, governance", the abbreviation ESG is often used in this context. Deka

Investment GmbH reports annually on the measures implemented in this context within the scope of a Responsible Investment Transparency Report, which is available on the website of the PRI.

## 2.6 Compliance

The Compliance corporate centre plays a major role in ensuring that the Deka Group always acts in line with the applicable statutory and regulatory arrangements as well as its own – sometimes even stricter – guidelines. This corporate centre covers the topics of capital market and real estate compliance, corporate compliance, tax compliance and information security management. It is also responsible for combating money laundering and terrorism financing, implementing EU sanctions and embargoes and preventing fraud and other criminal activities.

### CONTENT REQUIREMENTS OF THE CSR GUIDELINE IMPLEMENTATION ACT (CSR-RUG)

Importance of the aspects specified by the CSR-RUG for the Deka Group

#### Environmental matters

Environmental matters are relevant for Deka in different contexts. This includes the consideration of ecological criteria in financings. The non-adherence to environmental standards, for instance, in case of large infrastructure projects can result in delays in the completion of the projects and thus, possibly in delays in or even failures of the financing operations and also in reputational damage. Such risks can be minimised by following international standards, such as the Equator Principles (EP). These aspects are discussed in chapter 2.5 "Regulations and standards" as well as chapter 3.3 "Sustainability in lending". On the other hand, it is also important from Deka's perspective to minimise the direct effects of its activity on the environment. The targets and measures for this area are documented in chapter 5 "Sustainable banking".

#### Employee-related matters

The employees are the foundation of Deka's economic activity. It is mainly important – especially against the background of the demographic change – to bind employees, in the number and qualification that is required for the provision of the services, to the company. It is concurrently essential from the perspective of the employees to ensure their professional and health-related "employability" through corresponding measures. What Deka does, among others, for the training and further professional development, the promotion of equality and the workplace safety and health protection, is discussed in chapter 4 "Sustainable HR management". Besides in-house employees, employee-related matters also concern the working conditions in upstream and downstream stages of the value chain. Information about supplier management is presented in chapter 5.2 of this Sustainability Report. The EP, through which the adherence to the fundamental labour

rights in project financings should be ensured, are particularly relevant in view of the consideration of employee-related matters in financings. Information about the EP can be found in chapters 2.5 and 3.3.

#### Social matters

The promotion of development at the communal and regional level and the support of the municipalities in fulfilling their tasks in the economic, regional-political, social and cultural area is anchored in the savings banks law and is thus also a guideline for Deka's activities. Its extensive social commitment is presented in chapter 6 "Corporate citizenship".

#### Respect for human rights

Respect for human rights is important in the banking sector mainly in connection with financings of infrastructure projects. This often also refers to the handling of local communities or indigenous people, so that the respect for human rights is here closely linked with the aspect of "social matters". By considering the EP for corresponding financings, Deka makes sure that human rights aspects are considered in case of the financings. On one hand, risks for the realisation of the projects as well as for the reputation of the bank should be avoided in this manner. On the other hand, negative impairments of the people affected by the financed projects should be excluded as far as possible. More information about this can be found in chapter 2.5 "Regulations and standards" as well as chapter 3.3 "Sustainability in lending".

#### Anti-corruption and bribery matters

The adherence to statutory and regulatory requirements regarding the fight against corruption and bribery belongs to the basic requirements of responsible corporate governance. Violations of these standards regularly result in legal – as well as financial – penalties and reputational damage. The corresponding guidelines and measures of Deka for the fight against corruption and bribery are documented in chapter 2.6 "Compliance".

The corporate centre develops group-wide standards and guidelines on relevant issues and provides corresponding training programmes and advice on their implementation. It is also involved in projects and processes, particularly in new product processes, essential changes in the operational and organisational structure as well as outsourcing, geared towards ensuring that the Deka Group meets regulatory requirements and that potential conflicts of interest are identified at an early stage and avoided as far as possible. The corporate centre carries out monitoring and control tasks at all levels of the banking operations and is dedicated to the systematic reduction of potential compliance risks.

### Consulting and training

The regulations and processes to comply with the statutory and regulatory requirements often apply to individual employees. To inform employees on the aspects relevant for them, the experts from the Compliance division conduct mandatory trainings in the entire Deka Group; there is additional training for selected employees. If necessary, additional ad hoc training is provided. The training concept is based on presence training in combination with web-based training courses and training letters.

In the year under review, 431 employees have completed an initial training on compliance, thereof 374 employees attended presence training and 57 were trained using training letters. Moreover, numerous employees have participated in regular web-based mandatory trainings, mainly on information security management (429 employees), prevention of money laundering (353) and prevention of fraud (295).

### Fight against corruption and bribery

In the fight against corruption, the Deka Group has regulated under which framework conditions gifts and invitations as well as any other benefits from and to third parties may be accepted or given. The approval process is set in writing and is the same for all employees including the organs of management, and its content is generally made known by corresponding publications.

In principle, employees may not accept or give gifts or invitations in connection with their work either for themselves or on behalf of third parties, insofar as this could affect the interests of the Deka Group or its customers. The granting of gifts and invitations, provided that they comply with the applicable laws and other standards, is compatible with common market practice to a certain degree. However, because the professional independence of all parties may be in question, the employees are encouraged to avoid the mere emergence of conflicts of interest.

The experts of the Compliance team are available to all employees for assistance with questions regarding integrity.

Their contact details are communicated to employees when they join the company and are any time accessible on the intranet and in training documents. Procedures and controls in the specialist units, as well as within the Compliance unit itself serve the purpose of preventing and detecting irregularities and are an integral part of the compliance management system of the Deka Group.

For DekaBank Deutsche Girozentrale, DekaBank Luxembourg S.A. including the downstream companies, Deka Investment GmbH, UK branch, Deka Immobilien GmbH, Deka Investment GmbH, WestInvest Gesellschaft für Investmentfonds mbH, Deka Immobilien Investment GmbH as well as S Broker AG & Co. KG, the corruption risk was surveyed and evaluated within the scope of the so-called Fraud Prevention Forum. In 2017, the Compliance unit was not aware of any internally determined circumstances, which indicated a case of corruption.

### Prevention of money laundering

With the "Minimum Standards for the Prevention of Money Laundering", DekaBank, as a parent company, ensures compliance with the duty of care in terms of the Money Laundering Act (MLA) and of the German Banking Act (KWG) so that there is transparency regarding customers and the underlying shareholder structure in Germany as well as in subsidiary companies.

### Whistleblowing system

A whistleblowing system ensures that reports can be made confidentially regarding illegal or dishonest acts to the DekaBank Ombudsman by employees, but also by third parties. The Ombudsman examines the facts of the case and passes the relevant information in respect of confidentiality to DekaBank. As a lawyer, the Ombudsman is subject to the legal obligation of discretion. The whistleblowing system ensures the anonymity and protection of whistleblowers.

## 2.7

### Data protection

#### Basics and organisation

In the Federal Republic of Germany, data protection is regulated by the German Data Protection Act (Bundesdatenschutzgesetz – BDSG) and the corresponding state data protection laws. The purpose of BDSG, as set out in Section 1 of the Act, is to protect individuals from any infringement of their (constitutionally protected) personal rights caused by the handling of their personal data.

DekaBank's Data Protection unit works to ensure that the BDSG and other data protection regulations are observed. The Data Protection Officer reports directly to the Board of Management or, in his capacity as an external Data Protection Officer, to the management of subsidiaries. To avoid conflicts of interest, the Data Protection Officer

is independent of the Compliance corporate centre and is based in a separate unit in the Legal corporate centre.

In order to ensure that the requirements of data protection law are complied with, DekaBank's Data Protection unit has set up a data protection management system. Within the scope of this system, processes were established to ensure that statutory requirements concerning data protection are implemented during the planning, commissioning and operation of procedures and after those procedures are withdrawn from use. The processes are also documented in a comprehensive data protection concept. This describes, among other things, the aspects that must be taken into consideration during the processing of the personal data.

#### **Raising awareness and knowledge of employees**

The tasks of the Data Protection Officer include providing employees with relevant information on the subject of data protection. This includes, for example, the explanation of the most important requirements of data protection legislation and data security measures to avoid hazardous activities of employees. The information is provided via different communication channels, including the intranet and the employee magazine.

In accordance with Section 4g Para. 1 Sentence 4 No. 2 BDSG, Data Protection Officers must familiarise all employees involved in the processing of personal data with the aim and content of the data protection legislation. In addition, each employee is obliged to ensure that personal data does not come into unauthorised hands or is made accessible, and therefore, as required in Section 5 of the BDSG, must also be committed to confidentiality.

A central concern is teaching individual employees about the high significance of data protection for DekaBank. Employees must be particularly informed about their rights and obligations as a person acting in data protection and the risks for the company and the employees themselves connected with a violation of the applicable provisions. This also includes providing information on possible penalties as a result of violations of the measures to ensure compliance with data protection and data security.

The e-learning programme has proven to be particularly efficient in recent years in conducting training on data protection with employees at their own PC workstation. After successful completion of the training, a participation certificate is automatically generated as proof of the training. The Data Protection unit documents participations and evidence. All new employees are requested in writing to make themselves familiar with the principles of data protection using the e-learning programme. Localised learning at the workplace is supplemented by classroom training.

#### **Audits and reporting**

Pursuant to Section 4g of the BDSG, the Data Protection Officer works to ensure compliance with the requirements of the data protection law. This also involves data protection audits carried out in the specialist units. Each data protection audit follows an audit plan and usually also involves spot checks; the results are provided to the specialist units and corrective actions are agreed upon and followed up.

Within the scope of an established reporting system, the Board of Management and the management of subsidiary companies are informed about deficiencies and risks identified in data protection as well as about the results from data protection audits. A reporting system has also been implemented for local Money Laundering and Fraud Officers to report systematically to the Group Money Laundering and Fraud Officer.

## **2.8**

### **Customer satisfaction and complaint management**

#### **Customer satisfaction**

Regular surveys of different customer groups form an important basis for the strategic further development of the products and services as well as the sales orientation of Deka. At the end of 2016, 216 savings banks were surveyed, as institutional customers, regarding their assessment of the strengths and weaknesses in the collaboration with DekaBank. 92 percent of the respondents overall assessed the collaboration in the institutional business as excellent, very good or good. The satisfaction was thus two percentage points higher than the already good level of the previous survey from 2014. Particularly good grades were received by the capital market business Trading & Sales, the division of Real Estate Funds and the division of Master-KVG. In time comparison, particularly the assessments for the capital market business and the division of Real Estate Funds have shown a positive development.

Another survey, in which the savings banks were addressed in their role as intermediaries, also showed a high overall satisfaction with Deka's services. 97 percent of the total 374 savings banks participating in the survey rated Deka's services as excellent, very good or good. This value was three percentage points higher than the value of the previous survey from 2014 and rather eight percentage points higher than 2011.

Valuable notes for the structuring and further development of the activities are also offered by external surveys on customer satisfaction, which are initiated and conducted by third parties. Deka Investment, for example, attained rank 1 among the Master-KVGs for the first time in the customer satisfaction study 2017 of the rating agency Telos. Around 360 institutional investors, mainly insurance companies and pension funds, were surveyed.

### Complaint management

The Bank has implemented a comprehensive complaints system for customers, which ensures an effective and transparent procedure for dealing with complaints. At the same time, notes and improvement suggestions can be recorded from the complaints. Since the beginning of complaint management, regulatory audits have confirmed proper and adequate complaint processing.

The number of customer complaints within the Deka Group is on a constantly low level despite an increasing number of customers in the year under review. In 2017, 3,638 complaints were received from 4,357,060 deposit customers, about 3.5 percent more than in the previous year. An increase in complaints in the division of Custodian Service Germany, which should be attributed to a deposit price increase carried out in the fall, was up against a decline in the number in all other relevant divisions.

Incoming customer complaints are immediately forwarded to the responsible specialist unit and processed. The European Commission has set up a European online dispute resolution platform. Consumers can use the online dispute resolution platform for out-of-court settlement of disputes from purchase or service agreements made online. Customers are also free to contact the ombudsman services of the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands – VÖB) and of the Association of German Investment Companies (Bundesverband Deutscher Investmentgesellschaften – BVI), the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) or the regulator in Luxembourg – the Commission de Surveillance du Secteur Financier (CSSF). In the year under review, DekaBank received 14 (2016: 21) complaints via these routes.

During the reporting period, no complaints were received via formal procedures in relation to the impact of our activities on ecological matters or human rights, or on issues associated with corruption.

## 2.9

### Ideas management

Since October 2015, employees have been able to contribute their ideas for the improvement of processes or for new products and services on a DekaBank web-based platform. The crowdsourcing approach of this platform enables their participation in the further development and evaluation of the published ideas. A voting tool can also be activated to obtain opinions about different solutions of an idea. Notes on potential problems and risks are also helpful for the relevant specialist area, which decides whether or not an idea is implemented.

The work for the migration of the DekaBank innovation platform onto the Sparkassen innovation platform has started in October 2017. So far, 25 savings banks or affiliated institutes use the platform. After the migration, which shall probably be completed in the first quarter of 2018, future further developments of the platform can be expedited together with the Sparkassen.

In 2017, the employees submitted a total of 96 ideas, 70 of which were published on the platform. Most of the ideas contain suggestions for improving processes (40 percent). Eight percent of the ideas were related to the area of environment. These included, among others, a suggestion of procuring electric vehicles for the vehicle pool of Deka. In total 11 ideas were awarded with cash prizes amounting to a total of 2,200 euros; 17 other employees received gifts. In this year, suggestions from the ideas management have resulted in more revenue or reduced expenditure totalling over 274,000 euros.

## 2.10

### Sustainability ratings

The number of investors, who consider ESG criteria when making their investment decisions, has increased further also in 2017. This is reflected, for example, in the increasing volumes of sustainably invested capital and the active demand for Green and Social Bonds. Against this background, dialogue with sustainability rating agencies has gained significantly in importance in the last few years. On behalf of investors, the agencies regularly evaluate the quality of the sustainability management at the Deka Group and provide investors the basis for their investment decisions.

The sustainability ratings are relevant to the Deka Group in several respects: as an issuer of public bonds, mortgage bonds and bearer bonds, it is important for the Deka Group to meet the requirements of sustainability-oriented investors to place their bonds successfully in the market. On the other hand, the requirements of key stakeholders of the Deka Group, such as environmental organisations, human rights organisations and trade unions, are reflected in the criteria used by the agencies. Finally, the Deka Group also uses the sustainability ratings as the basis for a regular analysis of the strengths and weaknesses of its sustainability management in comparison to other banks.

The current sustainability ratings demonstrate the above-average commitment of the Deka Group in the area of sustainability in the sector comparison. The international agency Sustainalytics has considerably raised its evaluation of the quality of DekaBank's sustainability management in the reporting period. With an overall rating of 83 out of a possible 100 points, DekaBank has shown an improvement by 10 points and attained the best-possible "Leader" classification for the first time.

## RATING AGENCIES \*



**Rating: 83 out of 100 points**  
Leader

Ranking: #11 of 332

From Sustainalytics, the Deka Group received 83 out of a possible 100 points in its current rating and is classified by the agency as a "Leader" for the first time. Being ranked 11th out of 332 rated banks in the world is a very good result. Among the non-listed banks Deka-Group reaches an excellent 2nd place.



**Rating: AA**  
Ranking: #10 of 133

MSCI ESG, the sustainability section of MSCI, assesses the quality of sustainability management with a very good AA rating. With this, Deka Group reached 10th place in the total of 133 analysed banks.



**Rating: C+ (Prime)**  
Ranking: #2 of 82

oeekom research AG awards Deka Group with the coveted oeekom Prime Status. It is only given to banks which meet the strict requirements of the agency regarding the quality of the sustainability management. With an overall grade of C+ Deka Group reaches a top-10 ranking among 82 analysed banks.



**Uncovered Bonds:**  
**positive** (B)

**Mortgage Covered Bonds:**  
**positive** (BBB)

**Public Sector Covered Bonds:**  
**positive** (BB)

In its assessment imug rating assesses the three categories of uncovered bonds, public bonds and mortgage bonds. In all three categories, the Deka Group achieves aboveaverage ratings compared with the industry sector.



## 3. Sustainable products

In the year under review, the discussions around the importance of sustainable factors in the financial market took place intensively under the heading “Green Finance” or “Sustainable Finance”. While the term “Green Finance” stands primarily for the contribution of the financial sector to environment and climate protection, the perspective in case of “Sustainable Finance” is extended to other sustainability goals, as formulated, for examples, in the UN Sustainable Development Goals. The common factor in both terms is that they consider the capital investment as well as the lending business and thus, the two central pillars of the business model of banks. DekaBank too understands sustainability as a comprehensive concept and has therefore developed and implemented sustainable standards and products for the two divisions.

### 3.1

#### **Sustainability in investment**

##### **Proprietary investments & liquidity portfolio**

As a pioneer among system-relevant banks in Europe, DekaBank has implemented a sustainability filter for new investments across its proprietary investments, which was developed in cooperation with the sustainability rating agency imug. Since 1st July 2014, the filter is used for new investments in the Treasury investment book. At the core of the filter is, based on the UN Global Compact, a catalogue of exclusion criteria in the fields of environment, human and labour rights as well as corruption. Possible involvement of companies in the defence sector is also considered. Issuers of securities, which violate one or more of these exclusion criteria are excluded from investment. As at 31 Dec 2017, approximately 17.1 billion euros of proprietary investments in securities were managed using the criteria of the proprietary investment filter.

With the Deka Treasury-Compass, the savings banks have the opportunity to carry out a sustainability check for their proprietary investments. As an analysis instrument, the Compass basically delivers information about the deposit A structure of savings banks and points out scopes for more income opportunities. The savings banks can optionally use a sustainability filter, which is also based on the principles of the UN Global Compact. In 2017, around 250 savings banks have had a sustainability analysis carried out for their direct portfolios on the basis of the Treasury-Compass. As a result, approximately 99 percent of the assets correspond to the sustainability criteria.

In the year under review, the business field of Real Estate Asset Management (AMI) has decided to use a sustainability filter for the fund liquidity of the public and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH. The core of this

filter too is based on the ten principles of the UN Global Compact and excludes different controversial business fields. The use of the liquidity filter shall start in the beginning of 2018. This measure is an important component in the implementation of the sustainability strategy of the business field of AMI (SEE CHAPTER 3.2).

##### **Capital market-based investment products**

In the asset management of Deka Investment GmbH, sustainability is a central benchmark for some time besides return, risk and liquidity. Because of this, the funds managed by Deka Investment GmbH do not invest in companies which produce anti-personnel landmines or cluster munitions (“cluster bombs”). Moreover, DekaBank issues no products which track the price of basic foodstuffs.

For the implementation of sustainability approaches, funds offer multi-layered configuration options. For private and institutional investors, who particularly wish to consider ESG criteria, Deka Investment GmbH has launched a number of appropriate investment products in the last few years. The “Deka-Nachhaltigkeit” fund family currently comprises these three funds: Deka-Nachhaltigkeit Aktien, Deka-Nachhaltigkeit Renten and Deka-Nachhaltigkeit Balance. The offer also includes the asset management fund DekaSelect: Nachhaltigkeit as well as the equity fund Deka-UmweltInvest, which exclusively invests in companies from the fields of climate and environmental protection, water management and renewable energy investments. Awards for the fund Deka-Nachhaltigkeit Renten demonstrate once again that sustainability criteria and good performance are not exclusive. At the end of 2017, the fund was awarded as the best fund in Germany and Austria at the Scope Investment Awards 2018 in the category “Renten Euro”.

Against the background of an increasing demand for passive investment solutions, DekaBank has launched the index fund Deka Oekom Euro Nachhaltigkeit UCITS ETF for institutional investors in cooperation with the sustainability rating agency oekom research. The funds Deka-Stiftungen Balance and Deka-Kirchen Balance as well as Deka-Institutionell Stiftungen are also directed at institutional investors. Detailed profiles of all funds can be found on Deka's website.

Deka also supports institutional customers with individual sustainability solutions. Sustainable security investments for institutional customers in mandates and special funds are predominantly based on individual exclusion criteria, e.g. prohibition of certain investments like arms and exclusion of issuers, which are involved in labour law or human rights violations. Deka thereby uses the data of renowned ESG research providers and supplements it with research of in-house specialists, among them also EFFAS ESG certified analysts.

Sustainable security investments are available in the Deka-Bank Depot already from 25 euros onwards. The fund Deka-Nachhaltigkeit Aktien is also suitable for the investment in capital-forming benefits. Since January 2017, customers can, upon conclusion of the Deka Future Plan, which is a Riester fund savings plan, choose the Deka-Nachhaltigkeit Aktien fund as a share component and the Deka-Nachhaltigkeit Renten fund as pension component in the Select version and thus invest in sustainable funds in the savings phase.

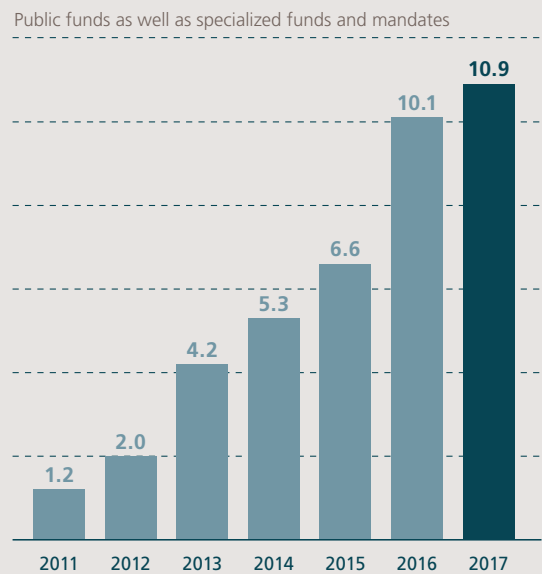
In the retail customer area, Deka Investment GmbH managed a total of approximately 2.7 billion euros in sustainable products at the end of 2017, 30 percent more than at the same time in the previous year. For institutional customers, the volume of sustainable investments as of 31 Dec 2017 was around 5.3 billion euros.

In total, the volume of sustainable investment products in Deka Investment GmbH is thus over 8.0 billion euros. The proportion of sustainable securities funds in the total assets in securities was around 3 percent at the end of the year 2017. If one adds the proprietary investments of around 2.9 billion euros in special funds, which are managed using the criteria of the proprietary investment filter, this results in a total volume of 10.9 billion euros of sustainably managed investments in the Deka Group.

If one also considers the proprietary investments of around 17.1 billion euros in securities, which are managed using the criteria of the proprietary investment filter, this results in a total volume of around 28 billion euros of sustainably managed investments in the Deka Group. This corresponds to a share of nearly 18 percent in the total sustainably managed investments in Germany according to the calcu-

lations of Forum Nachhaltige Geldanlagen (FNG; 156.7 billion euros, FNG market report 2017).

**FIGURE 3**  
**DEVELOPMENT OF THE VOLUME**  
**OF SUSTAINABLE INVESTMENT PRODUCTS**  
at Deka (in billions of euros as per 31 Dec)



#### Corporate dialogue and exercise of the right to vote

In addition to the application of exclusion and positive criteria, the direct dialogue with the companies, whose shares and bonds are held by an investor, and the exercise of the voting right at annual general meetings are instruments of sustainable investment that are gaining in importance. A welcome side-effect is a measurably increased visibility of Deka Investment GmbH as an active shareholder, which is explicitly recorded positively in the media coverage.

#### Direct corporate contacts

In the reporting period, analysts and fund managers of Deka Investment GmbH contacted companies more than 1,500 times. In these discussions, depending on the industry and business model of the company, social and environmental aspects of business activities were regularly addressed in addition to corporate governance issues. In cases, where the Deka analysts encounter deficits in the handling of the principles of sustainable development within the scope of their corporate analyses, these are addressed in direct discussion with the companies. If these deficits are not rectified by the company, the company can be removed from the investment universe. This exclusion is applicable not only for specific sustainability products,



but basically for all relevant investment products of Deka Investment GmbH.

### Activities at annual general meetings

As announced, Deka Investment GmbH has once again used annual general meetings more intensively to set impulses for sustainable corporate governance. In 2017, Deka Investment GmbH actively voted at 314 annual general meetings. The fact that Deka Investment GmbH voted against the suggestions of the managements on an average in case of more than 30 percent of agenda points shows that it is performing the role of an active shareholder considerably more critically. In the previous year, this share was 20 percent. The representatives of Deka Investment GmbH spoke at nine annual general meetings.

The focus was on the corporate governance of the companies, i.e. aspects such as the remuneration of the Board of Management and the composition of the Supervisory Board. Deka is convinced that good and responsible corporate governance is an essential component for the performance of the investments.

The intensified involvement of Deka was received very positively in the media and in public. Numerous media underlined the contribution of Deka to the promotion of the shareholder culture in Germany as well as to the implementation of high standards in corporate governance. The absolutely positive media response also contributes to Deka's reputation.

For 2018, Deka Investment GmbH is planning further development of the activities at annual general meetings. Besides corporate governance, special attention should be given mainly to climate strategy, digitalisation and cyber security.

With these activities, Deka already addresses the new requirements of the Shareholders' Rights Directive, which was approved by the EU Parliament in spring of 2017 and was passed by the European Council and must be implemented in the national law by mid-2019. The reform of the Shareholders' Rights Directive should strengthen and facilitate the involvement of shareholders as well as generate incentives for longer-term investments of selected institutional investors and asset managers.

The Shareholders' Rights Directive also obligates institutional investors and asset managers to create more transparency in relation to their investment strategies, their cooperation policy and its implementation. Today, Deka Investment GmbH has already defined the central focal points for its voting behaviour in the "Principles of Voting Policy in Annual General Meetings", which are also published on the Deka website as an overview of annual general meetings, at which Deka Investment GmbH has

voted in 2017. The principles are based on the extensive experience of Deka as one of the largest fund providers and shareholder representatives. They take into account the applicable laws, the current analysis guidelines for annual general meetings of the Federal Association of Investment and Asset Management (BVI), the German Corporate Governance Code, the DVFA Scorecard for Corporate Governance, international codes as well as the relevant environmental and social standards and the requirements of the Principles for Responsible Investment (PRI).

"Social and ecological developments are influencing the environment of the company more and more. Deka believes that social and ecological standards in the framework of a sustainable business policy are not only of social interest, but are also in the interest of shareholders, as this can result in a long-term, above-average performance of the company. (...) If Deka has a critical view of the quality of the social and ecological responsibility, it will express this in its voting behaviour at annual general meetings."

**(PRINCIPLES OF VOTING POLICY IN ANNUAL GENERAL MEETINGS)**

### Promotion of securities culture

#### Study on the funding of capital-forming benefits

Only 28 percent of Germans use capital-forming benefits. Beyond all income limits, around one third of people do not use this funding, although they could. At the same time, capital-forming benefits also offer households with low income the opportunity to save money for the retirement planning or for larger acquisitions.

On behalf of the DSGV and with support of Deka, the German Economic Institute (IW) has analysed within the scope of the study "Options for a reform of the funding of capital-forming benefits" as to how capital-forming benefits could be promoted. The IW recommends a combination of adjustment of the income limits to the general price development, doubling of the maximum amounts and increase in the funding rates by five percentage points. The resulting extra expenditure for the Federal Government, the states and the municipalities in the amount of 224.2 million euros is, according to the calculations of the researchers, comparatively low in relation to the benefit of the funding for the savers in the lower income classes. Through the reform, the total expenditure for the public sector would increase only by 0.02 percent.

This increase would correspond to 0.5 percent of the interest saving of the Federal Government through the current low-interest environment in the year 2016 and would counteract the interest income of the savers that has declined in the recent years.

#### **Action plan for an equity-oriented pension scheme for the old-age provision**

In cooperation with DekaBank, Bankhaus Metzler and Union Investment, the Deutsche Aktieninstitut (DAI) has conducted a study on the importance of equity investment for the old-age provision in Germany. The study underlines the importance of equity investments in order to secure income at old age in case of declining performance of the statutory pension and to effectively close the foreseeable gap in the statutory pension. In the action plan for an equity oriented pension scheme, the authors of the study formulate recommendations for organising the framework conditions, through which the shares can be used to the required extent for forming extensive old-age provision, mainly the introduction of a “funding concept for old-age provision.”

#### **Stock Exchange Simulation**

In order to promote the securities culture, DekaBank supports a stock exchange simulation, called Planspiel Börse, of Sparkassen since 2014. The objective is to strengthen the economic and social competence of predominantly young participants – school students, trainees and undergraduates – and thus, to support the financial literacy of youngsters. Planspiel Börse is an online competition, in which the participants are given a virtual capital, which they are supposed to increase. Trading takes place continuously with the prices of real stock exchanges. The simulated securities trading deepens basic economic knowledge in a playful manner and imparts stock exchange knowledge. Moreover, the ten-week competition promotes teamwork as well as the view beyond the horizon. All over Europe, teams from five countries participate.

In the “sustainability” area of the game, basics of sustainable investment are imparted. The objective of this special scoring is to promote future-oriented and responsible trading even among youngsters. In the list of securities, in which the participants can invest, shares of sustainably operating companies are marked with a special symbol. There is prize money for teams, which generate the biggest return in the competition as well as for teams, which invested their funds in particularly sustainability-oriented stock companies during the game period.

In 2017, more than 2,000 undergraduate teams participated in the business game. In the year under review, the national awards ceremony for the most successful teams took place at Deka for the second time after 2016.

With a total of approximately 40,000 teams every year – of which 35,000 are school student teams and 5,000 are undergraduate teams – and a total of 140,000 participants, Planspiel Börse has become Europe’s biggest stock trading game.

#### **Activities to promote sustainable investment**

##### **International initiatives**

In the year under review, the European Commission has ordered the High-Level Expert Group (HLEG) on Sustainable Finance to work out recommendations for two areas of activity within the scope of a double-track strategy. On the one hand sustainability factors should be anchored in all parts of the finance system through adjustments in the EU regulatory and fiscal framework; on the other hand, it is about the question as to how capital can be mobilised in order to cover the high financing requirement for the reduction of greenhouse gas emissions. Michael Schmidt, Managing Director of Deka Investment GmbH, was the only representative of the German finance sector to be appointed in this top-level committee. At the beginning of 2018, the expert commission has submitted an interim report, in which mainly the establishment of a uniform EU classification system for sustainable assets and the anchoring of sustainability as part of the fiduciary duties are recommended.

On an international level, the signing of the Principles for Responsible Investment (PRI) by Deka Investment GmbH in 2012 should also be emphasised. Deka hosted a PRI event in July 2017, in which the “Roadmap for Germany” was introduced. The study includes concrete recommendations for action for decision-makers from politics and economy to promote responsible investment in Germany. For the first time, Deka presented itself at “PRI in Person”, the annual conference of the initiative, which took place in Berlin in the year under review.

Since November 2016, DekaBank has been a member of the Green Bond Principles, an internationally-recognised standard for the issuing process of “green securities”. The principles were developed under the ICMA (International Capital Market Association), whose membership is held by DekaBank, and in the framework of a cooperation of issuers, banks, investors and environmental organisations.

DekaBank has been an arranger of sustainability bonds on the market for some years to meet the increased demand for sustainable securities on the part of investors in the savings bank sector. In January 2017, DekaBank also acted as a lead manager for the first time in the issue of a climate awareness bond by the EIB (European Investment Bank), currently the most active green bond issuer on the market.

### National initiatives

Also in Germany, the topics of Green and Sustainable Finance received considerable impulses in the reporting period. Several initiatives were founded, which are supposed to combine the discussions and projects and thus support the development of a sustainable financial economy in Germany.

The Green Finance Cluster Frankfurt was founded on the initiative of the Hessian Ministry of Economics and has started working in November 2017. One of the founding members is the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU), in which Deka cooperates actively since many years. Deka is also one of the sponsors of the cluster, which is based in the Frankfurt School of Finance & Management. As a project of the integrated climate protection plan Hesse 2025, the initiative wants to promote the sustainable orientation of the financial economy and simultaneously develop starting points and strategies as to how the financial economy can actively accompany the transition to a climate-friendly and sustainable economy. First projects include the search for methods to better understand the connection of finances and climate goals and the related risks.

Within the scope of the Hub for Sustainable Finance (H4SF), Deutsche Börse AG and the German Council for Sustainable Development (RNE) have agreed upon strategic cooperation in the field of sustainable financial economy. Together with other players from the financial market and civil society, they want to work on improving the conditions for sustainable orientation of the financial market. At the first "Sustainable Finance Summit Germany" at the end of October 2017 on the initiative and with the support of Deka, around 200 experts met to discuss the perspectives of a sustainable financial economy. The activities are coordinated in the H4SF by a control committee; besides Prof. Dr. Alexander Bassen (RNE), also Deka Investment Managing Director Michael Schmidt is a member of this committee.

DekaBank is also a member of the Forum Nachhaltige Geldanlagen e.V. (FNG) and the Corporate Responsibility Interface Center e.V. (CRIC), a charitable association for the promotion of ethics and sustainability in investment. With over 100 members, CRIC encourages constructive dialogue between companies, politicians and financial market players towards a general awareness of ethical and sustainable investments. Through a donation, DekaBank supported the creation of a further full-time position at CRIC that was filled in summer 2017.

### FRANKFURT DECLARATION

"The Frankfurt financial centre (...) assigns itself the following common agenda:

- to define the framework conditions of sustainable finance and to put in place concrete initiatives to implement new structures
- to identify measures, products and services with a view to mobilising the potential of sustainable financial market infrastructures and using it to initiate positive economic, social and environmental development
- to identify the Frankfurt financial centre's responsibility in achieving the UN Sustainable Development Goals and to define key indicators allowing the financial services sector to measure its contributions to achieving the sustainable development goals
- to align corporate governance with the principles of the UN Global Compact, the contents of the UNEP Statement of Commitment by Financial Institutions on Sustainable Development and/or the PRI Principles for Responsible Investment and to annually report on its progress in the respective format."

Extract from the Frankfurt declaration – voluntary commitment to the implementation of a common sustainability initiative at the financial centre of Frankfurt am Main

### Investor information and promotion of the dissemination of financial knowledge

Even though private customers, except employees, are not directly advised by DekaBank, rather by the savings banks, DekaBank has formulated strict principles for all documents made accessible to private customers. The "Guidelines for the creation of advertising and investor information" among other things, forbid aggressive marketing and the exploitation of customer groups that require particular protection, such as the elderly. Customers from the municipal sector are also regarded as private customers.

The product seals used by DekaBank for its sustainability funds are for investor information. Therefore, all sustainability funds mentioned above bear the transparency logo of the European industry association Eurosif. In this context, Deka Investment GmbH has voluntarily committed to publishing accurate, adequate and up-to-date information particularly in order to enable investors to understand the ESG-strategy of a fund and its implementation. The index fund Deka oekom Euro Nachhaltigkeit UCITS ETF was awarded the Austrian Ecolabel for the first time in 2015.

## 3.2

### Sustainability in asset management real estate

The Real Estate Asset Management business field (AMI) has translated the principles for sustainable corporate governance of DekaBank into its own business-related sustainability strategy. Within the scope of this extensive strategy, the sustainability filter addressed in chapter 3.1 was developed and implemented for the fund liquidity of public and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH in the year under review as an important strategic measure.

Important cornerstones for operational action are the general reduction of CO<sub>2</sub> emissions, increasing the agreement of “green” contractual clauses in property, facility and rental agreements, the reduction of ancillary costs through sustainable management and energetic renovation as well as the embedding of ESG components in the processes surrounding real estate and fund management. The accompanying communication of activities as well as its representation in internal and external media is a further important component.

In the year under review, the understanding of sustainability was developed further for the business field and five benchmarks were defined for the sustainability activities:

1. Increase in the tenant loyalty with energy management, mainly by saving ancillary costs in case of suitable properties
2. Sustainability as an instrument for optimising the return, mainly by reducing tenant fit-out costs
3. Positive image as a provider of sustainable real estate, mainly by ensuring and – wherever possible – improving the rating results
4. Anchoring of social and societal responsibility in the daily operations, mainly by integrating strategic and operative sustainability aspects into the investment process
5. Fulfilling regulatory, sustainability-related provisions

#### Reduction of the energy consumption in buildings

In the reporting period, the activities again focussed on the reduction of the energy consumption in the buildings. The objective was and is to develop resource-saving and economical solutions to reduce the CO<sub>2</sub> emission in the fund properties and to thereby fulfil the specified benchmarks as extensively as possible.

In the year under review, the business field of AMI participated, as a practice partner, in the test of Stranding Risk Analysis of Deutsche Unternehmensinitiative Energieeffizienz e.V. (DENEFF). DENEFF has drawn up a project on so-called stranding risks of commercial properties together with the consultation institute The CO-Firm GmbH and with support from the Federal Ministry of the Environment,

Nature Conservation, Building and Nuclear Safety. The objective of the project is to transfer the requirements of the climate course defined by the Federal Government in the Climate Protection Plan 2050 to commercial properties and to thus point out possible portfolio and individual object risks and facilitate strategic budget distribution.

The reduction of the energy consumption and thus the reduction of the CO<sub>2</sub> emissions is also the key focus of a guideline for the benchmarking of real estate, which was worked out with the support from Deka Immobilien in the German Property Federation (ZIA). The “Sustainability benchmarking – What should be compared and how?” guideline offers an overview of measures for comparing the energy consumption of buildings with suitable comparable properties in order to analyse as to which buildings have an above- or below-average high energy consumption. The business field of AMI plans to systematically collect and record the key figures that are relevant for this using a suitable monitoring system.

#### Communication & memberships

In the year under review, the business field of AMI has used different communication channels to address sustainability topics internally as well as for the different stakeholders, for example within the scope of the current company brochure.

For the internal coordination and further development of sustainably-related activities, a “green Jour Fixe” was established. Here, representatives from Fund Management, Project and Real Estate Management, Sales and Real Estate Valuation regularly exchange their views on current sustainability topics. The event is organised by the Sustainability Coordinator of the business field of AMI; the minutes of the events also become the internal sustainability newsletter and are distributed to a larger distribution list up to the department head level. Moreover, there are regular meetings with the management.

The exchange is also supported by the memberships of the business field of AMI with the Federal Association of Investment and Asset Management (BVI) as well as the German Property Federation (ZIA). As members of the BVI, Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH independently and appropriately consider the voluntary principles and codices defined in the rules of conduct (WVR) of the BVI and develop these further via the BVI. The BVI rules of conduct formulate a standard for good and responsible handling of the capital and the rights of investors. They show as to how the capital management companies meet the duties vis-à-vis investors and how they represent their interests vis-à-vis third parties. In the year under review, the guidelines for responsible investment were also integrated into the rules of conduct.

**FIGURE 4**  
**WORLDWIDE CERTIFICATIONS AS AT 31.12.2017**  
 Number of real estates in total, thereof with certification



Worldwide certifications of real estate; as of 31.12.2017; LEED: Leadership in Energy and Environmental Design; BREEAM: Building Research Establishment Environmental Assessment Methodology; DGNB: Deutsche Gesellschaft für Nachhaltiges Bauen [German Sustainable Building Council]; HQE: Haute Qualité Environnementale (High Quality Environmental Standard)

In order to achieve significant CO<sub>2</sub> savings at economically viable costs, the ZIA has worked out suggestions for a successful energy revolution in the building sector together with its member companies and has presented these in the position paper "Real estate industry & energy". This deals with the energy policy of the European Union, the Federal Government and the states with regard to real estate.

### Certifications

A central element in the sustainability understanding of the business field AMI is the certification of fund objects. The focus is on the comprehensive evaluation of a property from social, ecological and economic points of view over the entire life cycle. Here, sustainability certificates provide the opportunity to measure and compare sustainability criteria in accordance with independent, established and recognised standards.

At the end of the year under review, a total of 213 properties in the value of approximately 21.7 billion euros were certified, 95 properties alone with a volume of around 7 billion euros in Germany. In relation to the entire real estate assets of Deka funds, a certification rate of about 68 percent was achieved as of the end of 2017. As compared to the previous year, the rate has increased by six percentage points. **SEE FIGURE 4**

**CASE EXAMPLE**

Energetic renovation of the property Völklinger Straße in Düsseldorf ("Silvers")

The six-storey office building from 1996 is in direct vicinity of Medienhafen in Düsseldorf. Originally built for a single tenant, the building has undergone extensive revitalisation from 2015 to 2017. The objective was the realisation of the most varied space concepts for individual user requirements, a contemporary fit-out standard for the highest quality of stay and the implementation of an extensive energy and technology concept. This covered particularly the following environmental, social and economic aspects:

- Use of non-toxic materials, installation of resource-saving supply systems and grey water utilisation for WC flushing minimise the ecological footprint of the property.
- The energy costs could be reduced through the use of an innovative and energy-efficient lighting system, the energy recovery in the elevator technology as well as a refurbished heating and cooling system in connection with the fresh air supply.
- The construction using ceiling sails ensures acoustic comfort. The elaborately designed garden areas offer quickly accessible regeneration spaces.
- The property is optimally connected to the public transport and, through a new bridge construction, to Medienhafen.

Silvers is the first existing building in Düsseldorf to have received a LEED®-Platinum-Certificate.

**External ratings confirm sustainable orientation**

In the annual assessment of all relevant open real estate funds in Germany by the rating agency Scope, Deka Immobilien GmbH was again certified for a constantly high sustainability orientation of the funds as well as a very high certification rate in the sector comparison.

**3.3****Sustainability in lending business**

For the Deka Group, ESG aspects in the sense of a holistic and risk-optimised portfolio management stand on an equal footing with economic aspects in lending and are therefore fully examined before the financing decision. Currently, the credit business of DekaBank comprises trade and capital market operations, real estate financing as well as transport and infrastructure finance. An integral part of the credit process is formed by the specifications of the business strategy in relation to the "sustainable corporate governance".

**Funding principles**

The credit risk strategy is derived from the business strategy and the risk strategy. The Deka Group proclaims sustainable corporate governance and aligns its credit business accordingly.

**Negative list**

The Deka Group has qualified the following transactions as undesired and/or afflicted with increased risk content also to avoid reputational risks. These transactions can be made only with an exceptional approval of the Board of Management:

- Transactions which could have a lasting negative effect on public trust in, or the public reputation of, DekaBank by public reporting (among other things on the basis of socio-cultural, ethical aspects) on the financing itself, a business partner, the business practice or the country (location or risk country).
- Lending transactions of a speculative nature or very unusual type of risk (such as highly-leveraged transactions)
- Financing connected to the arms trade (financing of arms shipments or of weapon manufacturers or trading companies)
- Financing in relation to activities that pose a significant threat to the environment, e.g. Uranium mining, nuclear/coal power plant financing and financing in connection with mountain top removal mining (OECD environmental guidelines contain clues)
- Project financing that does not meet the requirements of the Equator Principles (EP). The EP include social and environmentally-friendly standards and reference guidelines drawn up by the International Finance Corporation (IFC) as well as the industry-specific environmental health and safety guidelines (EHS)
- Financing of speculation on basic foodstuffs
- Transactions with a country or lender in a country that is included on the negative list of central governments
- Venture capital financing
- Financing companies in the pornography sector or similar sectors (sex industry)
- Financing in direct relation with the manufacture and sale of tobacco
- Financing of companies that operate controversial forms of gambling (betting offices, game halls etc.)
- Financing of companies that breach internationally recognised principles on human rights and labour rights (ILO Declaration on Fundamental Principles and Rights at Work) or
- Financing of enterprises without evidence of experience or in new markets

For company addresses in the fields of capital market and treasury, the Sustainability Management unit conducts a sustainability check against the labour rights and human rights criterion (ILO) in the sense of this negative list of the credit risk strategy when setting, increasing and prolonging limits.

Within the scope of the credit approval process, all involvements pending for decision are checked by the market unit and the back office also for possible environmental



and/or reputational risks. If it is assessed in these specialist units that the possible involvement could be associated with increased environmental and/or reputational risks, the Sustainability Management is given a separate audit order. The focus of this separate audit of the Bank's sustainability experts is then on ESG criteria including the effects on biodiversity. In the year under review the Sustainability management has conducted 22 audits.

### **Real estate financing**

In commercial real estate financing, the Deka Group is focused on financing in transparent markets with existing market liquidity and secure legal environments, which, due to their size, transparency and liquidity, are of central importance for the whole business field. In the countries, where this is possible, the ability of the loan to serve as collateral is sought in principle. In addition to classic investors and project developers, customers also include Real Estate Investment Trusts (REITs), real estate companies, pension funds and German open real estate funds at the level of individual projects. At the end of the year under review, there was real estate financing in Germany, France, Great Britain, Italy, Ireland, Japan, Canada and the USA. The gross credit volume, including financing for open-ended real estate funds and local construction projects, amounted to around 8.6 billion euros at the end of the year under review.

Economic efficiency as well as environmental and social compatibility are the mandatory selection criteria for the real estate credit transaction. These are explicitly analysed for each new transaction and brought into the due diligence process. Any sustainability certificates are also taken into account. Alongside energy efficient operation, sustainable real estate generally has better rentability and higher value stability. This is reflected in the safety position of the lender.

### **Transport and infrastructure financing**

The gross credit volume in the area of transport and infrastructure financing was 7.8 billion euros on the reporting date. Of this, 51 percent was transport financing and 49 percent was infrastructure financing. The share of loans for the financing of alternative energy production (wind and solar) amounted to 0.55 billion euros, around 14 percent of the gross credit volume of infrastructure financing. As sole lender, DekaBank structured a financing package for the construction and operation of two onshore wind parks in Northern Norway.

## 4. Sustainable HR management

With signing the UN Women's Empowerment Principles, Deka has sent another strong signal in the reporting period for the strengthening of women in professional life. Complete equality of women in the profession corresponds not only to Deka's self-image for treating its employees, but it is also a prerequisite for using the expertise of all employees for successful implementation of the business strategy. Besides the versatile measures for equal opportunities for women and men, this also includes good framework conditions for their professional and personal further development as well as working conditions, which ensure long-term physical and mental health of the employees.

### DEKA SIGNS THE WOMEN'S EMPOWERMENT PRINCIPLES

With the signing of the women's empowerment principles, which were worked out within the scope of a cooperation of the UN Women Organisation and the UN Global Compact, DekaBank has committed itself to implementing the following seven principles:

1. Establish high-level corporate leadership for gender equality
2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination
3. Ensure the health, safety and well-being of all women and men workers
4. Promote education, training and professional development for women
5. Implement enterprise development, supply chain and marketing practices that empower women
6. Promote equality through community initiatives and advocacy
7. Measure and publicly report on progress to achieve gender equality

gender equality and the compatibility of career and family or work and care, workplace safety and health management as well as the structure of remuneration.

For the implementation of the human resources strategy and to measure the progress achieved, Deka draws up plans of action and defines specific milestones for a short to medium-term period. All employees are informed promptly on the progress made.

### Open dialogue with employee representatives

The employees are represented by staff and works councils (in Germany) and the Comité Mixte (in Luxembourg). They are informed of pending changes in advance in an ongoing dialogue and brought into the design of the actual process. The Deka Group HR & Organisation corporate centre maintains an open dialogue with staff representatives which is marked by respect. The Disabled Employee Representative and the Equal Opportunities Officer are also available as internal contact partners for problems at work.

### 4.1 HR strategy

The HR strategy is part of the Deka Group's business strategy and includes long-term principles of human resources work. It builds on the approach of life-cycle-based HR management and is geared towards having "the right employees in the right place". The HR strategy is developed further under consideration of the market environment and the relevant economic, social, political and regulatory trends.

The responsibility for the formulation, further development and implementation of the HR strategy lies with the HR & Organisation division of the Deka Group. HR management is divided into different areas of activity. The most important of these are the management of human resources, training and further professional development, the promotion of

### 4.2 HR management

#### Number of employees and structure

As of 31st December 2017, a total of 4,492 employees were employed at the Deka Group (without S Broker). The moderate staff expansion of 2 percent (2016: 3 percent) results mainly from the expansion of the digital multi-channel management and the IT division, the intensification of the activities in the field of Asset Services as well as the execution of projects for the implementation of regulatory requirements. SEE TABLE 1+2

#### Age structure

The average age of all domestically-active employees of the Deka Group at the end of the year 2017 was 43.8 years (2016: 43.3 years). The most heavily-represented group was the age group between 45 and 49 years. The increase in the average age of about two years since the year 2013 reflects the demographic development in Germany. SEE TABLE 3



### Resource management and the employer brand

In view of the increasing staff and skilled workers shortage as well as the intensifying competition for talents between the banks, development and maintenance of the employer brand serve for positioning ourselves as an Employer of Choice vis-à-vis employees as well as possible applicants.

Deka has committed itself to filling all vacancies internally where possible. This chimes with the stringent further development of the employees and a clear orientation of the HR strategy – having “the right employees at the right place.” The job change rate within the Deka Group in Germany in the year under review was 50.0 percent (previous year 56.5 percent). For certain target groups at the Bank, such as apprentices and junior staff, special matching processes have been implemented.

Vacant management positions have been occupied in the framework of the “Deka Management Forum” since 2014. Here, all applicants have a standardised interview, which is conducted by managers of the specialist area and interface areas and moderated by the HR and Organisation corporate centre.

The internal tendering and appointment process is co-ordinated in the context of the service/operating agreement with the employees’ representatives. Members of

the employee representatives and the Equal Opportunities Officer participate in specific selection procedures. The employee representatives also have a say in the selection of external candidates for the occupation of vacant positions.

### Turnover

An important quantitative indicator for the success of resource management and the maintenance of the employer brand is the turnover rate. It was 3.1 percent in the year 2017 in Germany and thus on the already low level of the previous year. After an average tenure of over ten years could be achieved for the first time in 2015, this was at a new high at the end of 2017 with 10.7 years (2016: 10.3). In comparison with other companies in the industry, this is an above-average value and speaks for the attractiveness of Deka as an employer. SEE TABLE 4

## 4.3

### Training and further professional development

#### Training

As of 31 Dec 2017, a total of 77 apprentices and trainees, including funded students, were employed in Germany by the Deka Group. In order to be able to make an offer of further employment to as many apprentices and trainees as possible after successful completion of training, the number of apprentices and trainees is determined by requirements.

SEE TABLE 5

NUMBER OF EMPLOYEES (TABLE 1)

Total employees	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	female	male
Domestic companies	3,583	3,743	3,858	3,993	4,094	1,603	2,491
Foreign companies	452	440	419	413	398	182	216
<b>Deka Group</b>	<b>4,035</b>	<b>4,183</b>	<b>4,277</b>	<b>4,406</b>	<b>4,492</b>	<b>1,785</b>	<b>2,707</b>
S Broker AG & Co.KG/Management AG	–	–	–	150	157	64	93

NUMBER OF WOMEN AND MEN (TABLE 2)

Headcount	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017
Women	1,406	1,466	1,524	1,560	1,603
Men	2,177	2,277	2,334	2,433	2,491
<b>Total* employees</b>	<b>3,583</b>	<b>3,743</b>	<b>3,858</b>	<b>3,993</b>	<b>4,094</b>
Total* share of female employees (in %)	39.2	39.2	39.5	39.1	39.2
S Broker AG & Co.KG/Management AG	–	–	–	150	157
Total* share of female employees (in %)	–	–	–	36.0	40.8

\* Active employees + apprentices + dormant employees + trainees.

Headcount	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017
Women	1,256	1,325	1,359	1,389	1,435
Men	2,066	2,165	2,212	2,312	2,370
<b>Active** Employees</b>	<b>3,322</b>	<b>3,490</b>	<b>3,571</b>	<b>3,701</b>	<b>3,805</b>
total share of active** female employees (in %)	37.8	38.0	38.1	37.5	37.7

\*\* Board of Management + executive staff (division head/department head) + staff on permanent contracts + staff on fixed-term contracts + temporary staff.

AGE STRUCTURE ACTIVE EMPLOYEES (TABLE 3)

Deka Group in Germany	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	female	male
% of under 20 year-olds	0.0	0.0	0.1	0.1	0.0	0.1	0.0
% of 20–24 year-olds	0.9	1.2	1.5	1.3	1.2	1.7	1.0
% of 25–29 year-olds	5.9	5.5	5.3	5.0	4.9	6.3	4.0
% of 30–34 year-olds	12.8	11.8	11.8	10.9	10.6	11.4	10.1
% of 35–39 year-olds	19.1	18.7	18.1	17.0	15.7	16.7	15.0
% of 40–44 year-olds	21.3	20.3	18.7	18.2	17.6	16.0	18.6
% of 45–49 year-olds	22.6	22.2	21.4	21.8	20.6	19.6	21.3
% of 50–54 year-olds	10.8	12.6	15.3	16.8	19.0	18.2	19.5
% of 55–59 year-olds	5.3	6.3	5.9	6.5	7.4	7.0	7.7
% share of 60-year-olds and older	1.3	1.3	2.0	2.5	2.9	2.9	2.8
<b>Average age in years</b>	<b>42.0</b>	<b>42.4</b>	<b>42.7</b>	<b>43.3</b>	<b>43.8</b>	<b>43.1</b>	<b>44.2</b>
Active employees (headcount)	3,322	3,490	3,571	3,701	3,805	1,435	2,370
S Broker AG & Co.KG/Management AG (in yrs)	–	–	–	41.3	<b>42.0</b>	–	–

TURNOVER RATE\* (TABLE 4)

Deka Group in Germany (%)	2013	2014	2015	2016	2017	Turnover rate**
<b>Women</b>	<b>3.6</b>	<b>3.8</b>	<b>3.7</b>	<b>3.4</b>	<b>3.2</b>	<b>49.7</b>
Age range 20–29	5.3	6.3	3.9	9.2	8.5	35.5
30–39	6.2	4.5	4.9	2.4	3.2	47.4
40–49	2.0	3.8	3.1	2.7	2.4	62.9
50–59	–	1.4	1.0	0.9	0.8	60.0
>/= 60	2.2	5.7	12.1	18.5	15.6	50.0
<b>Men</b>	<b>4.2</b>	<b>4.3</b>	<b>4.1</b>	<b>3.0</b>	<b>3.0</b>	<b>50.2</b>
Age range 20–29	10.7	5.0	4.7	2.9	9.7	38.9
30–39	4.8	5.5	4.9	3.6	3.5	46.9
40–49	3.6	3.6	4.2	2.1	2.5	60.0
50–59	2.0	2.7	1.6	2.3	1.8	59.4
>/= 60	7.5	14.0	13.1	13.0	5.2	25.0
<b>Total turnover rate</b>	<b>4.0</b>	<b>4.2</b>	<b>3.9</b>	<b>3.1</b>	<b>3.1</b>	<b>50.0</b>

\* without the Board of Management, temporary workers, trainees, students, apprentices, trainees/diploma students, pensioners (start supply reference).

\*\* Promotion and development of the internal job market; internal before external; includes all personnel measures (positional, functional and organisational change).

JUNIOR STAFF (TABLE 5)

Deka Group in Germany	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	female	male
Trainees	21	14	36	47	53	23	30
Funded Students	9	8	9	9	8	2	6
Apprentices	43	39	30	22	16	11	5
<b>Junior staff</b>	<b>73</b>	<b>61</b>	<b>75</b>	<b>78</b>	<b>77</b>	<b>36</b>	<b>41</b>

As in previous years, all apprentices and trainees were taken on as employees in the year under review. Moreover, in this year, Deka has pronounced a performance-related employment guarantee for the apprentices of the years 2016, 2017 and 2018 as well as for all trainees with a programme start from 1 July 2017 or a programme end up to 30 June 2020.

Deka sets a high value on the fair treatment as well as the appropriate promotion of trainees. Therefore, Deka takes part in the "Fair Company" initiative of the Handelsblatt publishing group. Here, it commits to offering interesting activities and a fair chance of permanent employment to students in the framework of an internship.

#### **Further professional development**

At least once a year, employees and management determine individual development paths on the basis of the identified development requirements. There is a wide spectrum of potential measures available, which is continually developed on the basis of the Bank's strategy and requirements. It includes options to develop personal, methodical and social skills.

The agreed training courses take place either within the framework of the professional activity, for example through the assumption of project tasks, or through "off-the-job" measures, such as seminars or longer-term further training, completed with a certificate. Deka supports its employees in internal or external further training measures both financially and in terms of time.

To prepare young people for the assumption of specialist, management or project responsibilities, the "Karriere@Deka" (Career@Deka) high-potential programme starts every year. Detailed location determination for employees with potential beyond the current position can take place through voluntary participation in an internal Potential Assessment Centre (AC). Corresponding development recommendations are recorded within the scope of HR development discussions following the Potential AC. For university graduates, the Deka Group offers a general trainee programme, which equips young people with broad, group-wide knowledge, besides specialist area-specific trainee programmes. For targeted encouragement of women, Deka offers a women mentoring programme.

#### **Evaluation of measures**

The training courses and seminars offered are constantly evaluated on the basis of satisfaction, learning success, transfer success and benefit. The participants are asked for their first impressions shortly after the training. Four months after participating, they are asked about the event again, with the focus on aspects of practical use and benefit.

The respective managers are actively involved in the evaluation. This approach helps to ensure that managers and employees discuss learning objectives and transfer measures more intensively and thus also contributes to the continuous improvement of the management culture. In the year under review, the participants have confirmed the consistently high level of quality of the professional development on offer. Satisfaction in terms of practical relevance and applicability of the contents was particularly high.

#### **Costs for training and development**

The financial costs of further training measures in Germany during the year under review amounted to an average of 900 euros per active employee (2016: 973 euros). This figure does not include the cost of further training that took place as part of projects, e.g. for the implementation of the Markets in Financial Instruments Directive II guideline (MIFID II) and the basic regulation on data protection (DSGVO), on-the-job measures and the use of educational leave. The reasons for the nominal decline are, on the one hand, cheaper offers of comparable quality by external providers and, on the other hand, the increased use of internal Deka trainers. Also, professional sponsorships and mentoring are utilised more widely.

### **4.4 Equality**

The field of action of "equality" has different dimensions, ranging from equal opportunities for women and men through the particularly important promotion of the compatibility of career and family to dealing with diversity within the workforce.

#### **Equal opportunities for women and men**

To continue to improve the equal opportunities for women and men, the Equal Opportunities Officers agreed upon the 4th Gender Equality Plan together with the Board of Management in the year under review, which came into force on 1st January 2017. At the beginning of the year, workshops on the implementation of the Gender Equality Plan in practice were conducted, for which all managers of the Deka Group were invited and first concrete ideas for their own divisions were developed. In mid-2017, the reports of all division managers on equality-relevant topics of their own divisions were available; the division-specific results of a survey on the compatibility of career and family were also considered in order to facilitate more improvements. The Gender Equality Plan focuses on determining three gender equality objectives, whose implementation is regularly monitored.

The first objective is to increase the proportion of women in management positions and to encourage the professional advancement of women. Deka has set concrete targets for this purpose, which must be achieved by the end of 2020.

	31 Dec 2017	OBJECTIVE 31 Dec 2020
Head of Division	5.7 %	12.0 %
Head of Department	15.7 %	18.0 %
Group manager	23.7 %	25.0 %
Section manager	22.5 %	26.0 %

In order to achieve these objectives, the Deka Group is already implementing various measures. This includes for example the Women's Mentoring Programme, which was introduced in 2013. Every year, eight female prospects start on the employee level, who are supported by a department head for 24 months. A framework programme provides a network between the year groups and offers a wide range of impulses for individual further development. The second objective of the Gender Equality Plan is the lasting guarantee of good framework conditions for the compatibility of career and family or care of relatives. At the same time, greater significance should be attached to the last years of employment and the transition to retirement. The first event on the topic of "good transition to retirement" took place in October 2016. As the third gender equality objective, men should be encouraged to take advantage of Deka's schemes to reconcile the work and family life. For this, some barriers that still exist, e.g. against the use of longer parental or care periods, should be removed. SEE TABLE 6

#### Information and networking

Since 2003, the Equal Opportunities Officers of the Deka Group have held regular events to inform employees on current objectives, actions and developments in the promotion of equal opportunities for women and men. They also organise an Annual Women's General Meeting, as stipulated by the Federal Gender Equality Law, for all female employees, in which the Board of Management of the Deka Group also takes part. The aim of the events is the exchange of information and experience on current topics relevant to gender equality on the one hand and the promotion of cross-division networking of women in the Deka Group on the other hand.

#### Compatibility of career and family

With the help of life-cycle-oriented HR management, Deka aims to create conditions, in which professional progress can be combined with the requirements and needs of private life as optimally as possible. This applies in particular for employees with children or relatives, who need nursing care.

A better compatibility of the professional and private life helps to bind employees to the company, which is a signi-

ficant success factor, bearing in mind the increasing shortage of skilled workers. A consultancy and mediation service for children and care is available to all employees regardless of location.

The continuous further development of the service is also encouraged by the participation in the external certification procedure "berufundfamilie" (Career and Family), in which the Deka Group has regularly participated since 2005. Part of the audit is the definition of strategic targets and, building on this, the development of concrete objectives and measures as well as a binding determination of the results in a target agreement. Deka was last audited successfully in 2015.

The focus of the current target agreement includes topics such as the greater involvement of men in measures to reconcile the work and family life and dealing with stress and mental stress. The next audit is in 2018.

#### Working time models

Flexible working hours are an important building block for the reconciliation of work and family or care. Deka currently offers employees the opportunity to select from around 70 different part-time models. The part-time employment rate in the Deka Group in Germany at the end of 2017 was 17.5 percent, i.e. above the previous year's figure (16.8 percent). SEE TABLE 7

The employees also have the option to take unpaid leave or to finance paid leave from work using previously accumulated balances in the working time account, the Deka Time Account. The possibility is stipulated in collective agreements, under certain conditions, to also extend the duration of the period of parental leave in the framework of the family phase for a maximum of six months.

If the respective activity is appropriate and the relevant manager agrees, Deka offers its employees the opportunity to work from home on the basis of a service / operating agreement with the employee representatives.

The proportion of employees of Deka in Germany, who do not participate in time recording – usually non-tariff employees – was 64.5 percent in 2017 (previous year: 62.4 percent). The proportion of employees, who are not assigned to any working time model due to a temporary job or for other reasons, was 1.4 percent (previous year: 1.7 percent). The number of temporary staff and student employees amounted on average over the year to 49 (previous year: 53).

#### Support of employees with children

Employees with small children can take advantage of the support of DekaBank in child care. The offer includes 35 crèches and 16 kindergarten places provided in Frankfurt. Generous care times of up to 12 hours daily and the

renunciation of closing times in the holidays provide a comprehensive relief for parents.

In addition, Deka provides emergency care which parents can use up to five days a year per child for free. Here, children between three and twelve years can be looked after if regular childcare fails. This service is available throughout Germany in larger cities. Parents of school-age children are also supported in bridging school holiday time through the financing of up to ten days' holiday per year and per child.

On average, over the last five years, Deka employees returned to work 12.8 months after the birth of a child. Employees are increasingly taking advantage of parental leave. In the course of the year 2017, 119 DekaBank male employees claimed parental leave. Thus, their number was higher than that of women (72). SEE TABLE 8

The Human Resources & Organisation corporate centre of Deka and the Equal Opportunities Officers provide the employees with comprehensive consultancy and mediation services in the organisation of child care and on the topics of mother protection and parental leave. The Equal Oppor-

tunities Officers also organise several information and network events a year (Deka parents' meetings) on topics such as "Children have rights" or "My child is starting school".

#### Support for employees with relatives, who need nursing care

In cooperation with professional partners, Deka supports employees who look after relatives, who need nursing care. The so-called elder care advice and mediation relieves employees in the organisation, financing and implementation of care tasks. The consultancy service is available daily and Deka assumes the cost. Deka employees can make use of a wide range of information and networking events on the subject of compatibility of career and care. In the year 2017, for example, the Equal Opportunities Officers held special lectures on the topics "Dealing with Dementia" or "Care Strengthening Law II".

#### Diversity

Deka regards the diversity of its workforce as an opportunity. Varied cultural origin, life experience and talent of the employees enrich the collaboration and help to recognise the needs of the customers and serve them in the best way possible.

PROPORTION OF WOMEN IN MANAGEMENT LEVELS (TABLE 6)

Deka Group in Germany	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	female	male
Board of Management	–	–	20.0 %	20.0 %	20.0 %	1	4
1. Management level (Head of Division)	9.4 %	9.1 %	8.8 %	7.9 %	5.7 %	2	33
2. Management level (Head of Department management)	11.4 %	14.2 %	15.9 %	15.7 %	15.7 %	19	102
3. Management level (Group manager)	21.0 %	18.9 %	19.9 %	22.0 %	23.7 %	58	187
<b>Management levels (including Board of Management)</b>	<b>17.1 %</b>	<b>16.5 %</b>	<b>17.8 %</b>	<b>18.8 %</b>	<b>19.7 %</b>	<b>80</b>	<b>326</b>

PART-TIME RATIO ACTIVE EMPLOYEES (TABLE 7.A)

Deka Group in Germany	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	Full-time	Part-time
Women	33.6 %	34.6 %	35.6 %	36.1 %	37.4 %	898	537
Men	5.2 %	4.6 %	5.2 %	5.1 %	5.5 %	2,240	130
<b>Part-time ratio total</b>	<b>16.0 %</b>	<b>16.0 %</b>	<b>16.7 %</b>	<b>16.8 %</b>	<b>17.5 %</b>	<b>3,138</b>	<b>667</b>
Women	–	–	–	31.6 %	34.4 %	42	22
Men	–	–	–	8.6 %	11.8 %	82	11
S Broker AG & Co.KG/Management AG	–	–	–	17.3 %	21.0 %	124	33

PART-TIME RATIO MANAGEMENT (TABLE 7.B)

Deka Group in Germany	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	Full-time	Part-time
Women	15.4 %	18.5 %	15.9 %	17.3 %	21.3 %	63	17
Men	0.9 %	1.8 %	0.9 %	1.2 %	2.5 %	318	8
<b>Part-time ratio total</b>	<b>3.4 %</b>	<b>4.6 %</b>	<b>3.6 %</b>	<b>4.3 %</b>	<b>6.2 %</b>	<b>381</b>	<b>25</b>

Deka has the objective of providing framework conditions, which prevent any discrimination, sexual harassment or bullying from occurring at all. Violations of the code of conduct or other forms of discriminatory treatment in the sense of legal regulations as well as threatening, hostile or abusive behaviour are immediately punished. There were no instances of discrimination in the year under review. At the end of the year 2017, 248 employees (130 women and 118 men) had a non-German nationality. The proportion of employees with a nationality other than German has thus increased slightly in the year under review to 6.5 percent (2016: 6.4 percent). In total, employees from 54 countries are employed at Deka; the most strongly-represented countries are Italy, Austria, France, Greece, Poland, Great Britain and Croatia.

#### Severely disabled

All Deka buildings are handicapped accessible and have sliding doors or doors with electronic door openers. In the "Prisma" building in Frankfurt, there are also disabled toilets and a group of lifts with Braille lettering in the key field. 56.7 percent of the mandatory positions for disabled persons were filled at the year-end of 2017 (previous year: 53.6 percent).

The interests of disabled employees are represented by the Disabled Employee Representative.

## 4.5

### Workplace safety and health management

Deka health management was developed in the context of the life-cycle-oriented HR work as a response to the challenges of the demographic change and the consequent lack of skilled workers. Its central pillars are the fields of exercise, food, medical/prevention and mental health.

#### Illness rate

The Illness rate was 4.0 per cent in 2017 and thus, slightly above the level of the previous year. There were no deaths at work in the Deka Group even in 2017, just like the previous years. SEE TABLE 9+10

#### Exercise and Nutrition

In order to facilitate the integration of regular exercise into their everyday life of employees, the Deka Group runs its own Health Centre at its Frankfurt am Main location, which is used by around 230 employees on average. We use partnerships with a range of fitness centre chains and massage

EMPLOYEES ON PARENTAL LEAVE, Deka Group GERMANY\* (TABLE 8)

Parental leave – as per reporting date (Headcount)	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017
Women	59	70	72	79	76
Men	6	7	11	9	9
<b>Total</b>	<b>65</b>	<b>77</b>	<b>83</b>	<b>88</b>	<b>85</b>

Parental leave – during the year (Headcount)	2013	2014	2015	2016	2017
Women	83	58	61	58	72
Men	82	79	97	122	119
<b>Total</b>	<b>165</b>	<b>137</b>	<b>158</b>	<b>180</b>	<b>191</b>

Average duration of parental leave (months)	2013	2014	2015	2016	2017
Women	12.9	11.7	12.4	13.1	14.3
Men	1.5	1.3	1.4	1.5	1.7

\* Excluding maternity leave and secondary employment during parental leave.

ILLNESS RATE ACTIVE EMPLOYEES (TABLE 9)

Deka Group in Germany (%)	2013	2014	2015	2016	2017
Women	6.0	5.6	5.6	5.3	5.9
Men	3.4	2.9	3.0	3.0	3.0
<b>Total rate</b>	<b>4.3</b>	<b>3.8</b>	<b>3.9</b>	<b>3.8</b>	<b>4.0</b>

practices to provide these services to employees outside of Frankfurt.

Deka also supports a company sports club. DekaBank Sport e.V. is aimed at employees of DekaBank, their family members and partners and covers both popular and trend sports. The club currently has approximately 500 members.

To promote team spirit and shared experiences through exercise, DekaBank supports the participation of employees in running events. One highlight is the annual J.P. Morgan Corporate Challenge run through the inner city of Frankfurt, in which more than 300 Deka runners participated in 2017.

A balanced diet is an important part of health care as a contribution to well-being and performance. Therefore, Deka attaches great importance to varied and healthy food from the region in the canteen. Every day, at least two vegetarian and, more frequently, even vegan dishes are available in our canteen. A nutrition consultation service offers information on the topic of nutrition at the locations in Frankfurt.

### Safety at work and medical care

For safety at work, the Deka Group's approach is based on all relevant laws, ordinances and regulations as well as the collective bargaining agreement for public and private banks. Workspaces are regularly scrutinised according to ergonomics aspects by the expert for work safety.

All employees can obtain medical care from the company doctor; here, the focus is on prevention and health promotion. Deka offers, among other things, annual flu vaccinations and health campaigns, during which the employees can obtain information about health issues and have their blood sugar, cholesterol and blood pressure levels checked. The company doctor also conducts occupational health checks for all employees, e.g. ophthalmic examinations for subsidisation of workplace glasses.

### Mental health

In the year under review, Deka performed surveys in various business areas to systematically evaluate mental stress at work and to develop tailored offerings. The surveys will be continued in 2018.

REPORTED VIOLATIONS (TABLE 10)

Deka Group in Germany		2014	2015	2016	2017
<b>Commuting accidents (count)</b>		<b>34</b>	<b>19</b>	<b>19</b>	<b>20</b>
Principle causes are cycling accidents and injuries relating to black ice during the winter	Location Frankfurt	27	15	19	15
	Düsseldorf	6	2	–	–
	Berlin	–	–	–	2
	Sales force (east)	–	–	–	3
	Leipzig	1	2	–	–
<b>Work-related injury (count)</b>		<b>8</b>	<b>12</b>	<b>6</b>	<b>6</b>
	Location Frankfurt	8	12	6	3
	Hamburg	–	–	–	1
	Düsseldorf	–	–	–	1
	Munich	–	–	–	1

SALARY STRUCTURE ACTIVE EMPLOYEES (TABLE 11)

Deka Group in Germany (%)	31 Dec 2013	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	female	male
Non-tariff (NT)	60.9	61.5	62.4	63.7	<b>64.5</b>	42.0	78.2
Tariff group (TG) total	39.1	38.5	37.6	36.3	<b>35.5</b>	58.0	21.8
TG 9	26.4	29.4	28.3	28.1	27.6	22.7	35.4
TG 8	22.1	22.2	20.3	21.6	22.4	21.5	23.8
TG 2–7	51.5	48.4	51.4	50.3	50.1	55.8	40.8



Deka already offers seminars on dealing with stress for its employees and managerial staff as part of its further training programme. These seminars allow participants to analyse the pressures and stresses they face, as well as their own personal resources. During the seminars, they are shown how to handle these resources responsibly, harness them and use them successfully. In order to offer suitable help to employees experiencing a crisis in their personal or professional lives, Deka works together with external experts of a professional counselling service. Within the scope of the Employee Assistance Programme (EAP), the employees can obtain confidential or, if desired, even anonymous counselling. The EAP also offers expert advice to managerial staff, management consultants and members of the staff committee and works council.

In 2017, the experts from the EAP held counselling sessions with 194 employees (2016: 182). This corresponds to a usage rate of 4.4 percent (2016: 4.2 percent). Feedbacks from the employees show that this instrument is very well established. Deka supports the EAP through fact-finding events for all employees and special workshops for managerial staff. Employees can also obtain psychological support via the advisory service, particularly in the case of severe illnesses, while doctors can be consulted for a second or third opinion. It is also possible to obtain appointments with relevant physicians without long waiting times.

The Deka Group supports employees in returning to work after a long illness within the framework of professional integration management. This includes, for example, the opportunity to schedule a return to work and to regain working capacity on the basis of an individual working time model.

## 4.6 Remuneration

The Deka Group's remuneration system is based on the long-term corporate strategy and considers the relevant regulatory specifications. It is reviewed on an annual basis to ensure it is in line with current regulations and, where necessary, updated to reflect current applicable regulatory requirements. The system offers incentives for strong performance on a sustainable basis, whilst avoiding any that would encourage employees to assume disproportionate risks on behalf of the Deka Group. The Deka Group remuneration report, available on the Deka website, provides detailed information.

Remuneration is calculated solely on the basis of function and performance and in general comprises fixed and variable remuneration elements. Regular market comparisons ensure that remuneration is attractive and in line with the needs of the market. In the granting of benefits, the Deka

Group does not, in principle, distinguish between part-time and full-time workers.

Variable remuneration is granted on a performance-related basis. This takes into account the performance of the individual employee as well as the success of the Deka Group. An integral part of the assessment of employee performance is the evaluation of compliance with rules of conduct defined in the code of ethics of the Deka Group.

For employees, whose activities have a material impact on the overall risk profile of the Deka Group – so-called “risk-relevant employees” – a part of the variable remuneration is subject to assessments and risk- or performance-dependent payments spread over several years (deferrals) in line with regulatory requirements.

In line with regulatory requirements for institutes, the variable remuneration may not exceed 100 percent of the fixed remuneration. This upper limit of the variable remuneration, in accordance with Section 25a Para. 5 of the German Banking Act (Kreditwesengesetz – KWG), has been increased to 200 percent of the fixed remuneration through shareholders' resolution. DekaBank has made no use of the option to increase the upper limit for the variable remuneration for the members of its Board of Management and all other employees of the institute in the year under review.

The percentage of employees, who were remunerated on a non-contractual basis has increased to 64.5 percent in 2017 (previous year: 63.7 percent). All salaries paid by Deka are, in principle, at least on the level of the statutory minimum wage. SEE TABLE 11

The Deka Group employees can place parts of their bonus payments, holiday entitlements and approved overtime in working time accounts (Deka Time Account). The time saved in this account can be used for temporary absence in the form of a sabbatical, for example.

In addition to the benefits provided by the employer under collective bargaining agreements, the Deka Group also offers mainly capital-forming benefits, group accident and corporate travel insurance. The employees in Frankfurt am Main have the option of a “job ticket” travel card for use on local public transport. Comparable regulations are applicable for other Deka Group locations. Permanent employees also receive a largely employer-financed company pension (BVV). Details on pension obligations can be found in the consolidated financial statements.

The remuneration system for the members of the Board of Management of DekaBank basically corresponds to the remuneration principles for employees of the Deka Group and also takes into account applicable regulatory particu-



larities for risk-relevant employees. The aim of the Board of Management remuneration system is to fulfil the regulatory requirements as well as the principles of the management remuneration of the Wittenberg Centre for Global Ethics. The basic conditions for the granting of variable remuneration are compliance with the statutory minimum core capital ratio plus capital buffer, a satisfactory liquidity situation as well as the ability of the Deka Group to pay out dividends. In addition, the risk situation of the Deka Group must be evaluated and included.

## 5. Sustainable banking

In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD), which was initiated by the G20 Financial Stability Board (FSB) published its final report. In the report, it recommends voluntary disclosure of climate risks by companies of all sectors, so that stakeholders such as investors, lenders and insurers can better evaluate the risks caused by the climate change. Deka already shows the greenhouse gas emissions caused directly or indirectly by its business operations comprehensively and transparently since many years. In the year under review, Deka has started a project to develop a method for recording and evaluating the CO<sub>2</sub> evidence in its entire value chain with scientific support. Here, the availability of corresponding data proved to be the main hurdle. The recommendations of the TCFD have the potential to remove this hurdle in the future.

### 5.1

#### Environmental management system

For the implementation of the environmental guidelines adopted by the Board of Management, in which Deka commits to a sustainable business alignment in economic, ecological and social terms, Deka introduced a DIN EN ISO 14001-certified environmental management system in 2009.

The environmental balance sheet prepared in the framework of this system includes all the buildings of DekaBank at Frankfurt am Main (Trianon, Prisma and Skyper). The key figures for the paper consumption relate to all locations in Germany; the information on business trips is group-wide. The overall objective of the measures in the field of environmental management is an annual reduction of greenhouse gas emissions by five percent.

The environmental management standard was revised in 2015. The new rules must be implemented by 2018. The innovations include, among other things, a more risk-oriented approach and a clearer focus on the consideration of the entire value chain including the environmental impact of products and services. DekaBank will fulfil the new requirements on the basis of an implementation plan until the re-certification of the environmental management system in 2018.

### 5.2

#### Procurement

The strategic purchasing department of DekaBank procured goods and services in the value of a total of 273 million euros gross in the reporting period.<sup>9</sup> About 95 percent of the strategic purchasing order volume was placed in Germany, the rest to European suppliers. Deka currently does not use any overseas service providers. For the selection of the suppliers, Deka has sustainability-related requirements both for the quality of the procured products and services as well as for the corporate governance of the suppliers and service providers. Central points of the business-related requirements are provided in the sustainability declaration which the suppliers must sign prior to the start of the business relationship. It obliges the supplier, among other things, to comply with core labour standards of the International Labour Organization (ILO). By the end of 2017, 270 suppliers had signed the declaration. That is about 85 percent of the sourcing volume in strategic purchasing.<sup>10</sup>

Sustainability criteria are taken into account also in the selection of products and services. Up to the beginning of 2016, all DekaBank computers were replaced by energy-saving devices. All new suppliers are obliged to provide information on their standards and services in the area of environmental management in the DekaBank purchasing portal. This gives the employees in procurement the opportunity to consider relevant aspects in the negotiations with suppliers. In the year 2017, a total of 32 new suppliers from the fields consultation, HR, and IT were examined on the basis of environmental criteria.

<sup>9</sup> Strategic purchase includes the product groups consultation, office/business equipment, business/IT infrastructure, services as well as HR.

<sup>10</sup> In 2017, Deka ordered products and services from approximately 2,000 suppliers. These included many small and single orders. The number of suppliers with significant sales (> 1 million euros) is approximately 80.

**PROJECT: CO<sub>2</sub> EVIDENCE OF THE DEKA GROUP**

Within the framework of the UN Climate Change Conference in December 2015, the Federal Republic of Germany has committed itself to making its contribution for limiting the global warming to less than 2 degrees Celsius. The "Climate Protection Plan 2050" of the Federal Government defines the corresponding measures for this; it is the point of reference for the contribution of the Deka Group to the attainment of national and international climate goals.

For this, the Deka Group will evaluate the CO<sub>2</sub> emission along the value chain, which is linked with its entire business activity. On this basis, modular step-by-step plans should be developed, which pursue the objective of reducing the determined CO<sub>2</sub> emission in the medium or long term in compliance with the national and global climate goals. The step-by-step plans comprise the components of analysis, development and evaluation of options for action, derivation of measures as well as their implementation and controlling.

In the year under review, Deka executed a pilot project for generating extensive evidence about the CO<sub>2</sub> emissions in the Deka Group in cooperation with experts from the University of Hamburg. Besides the business operations, this particularly referred to the emissions associated with the divisions of Capital Market/Treasury and Asset Management as well as the lending and real estate business. While at least first approaches about the measurement of the CO<sub>2</sub> evidence are available with the calculation of Carbon Footprints for the capital market business, it is still unclear for the lending business as to how the CO<sub>2</sub> evidence can be created here since corresponding measuring methods for this division are not yet applicable.

Prof. Dr. Timo Busch from the University of Hamburg, who has supported the project scientifically, concludes as below: "Overall, it appears that the topic of data availability is of central relevance. (...) The CO<sub>2</sub> evidence for the overall operation of the Deka Group cannot be created based on the present data foundation. The main reason for this is the lack of data availability and quality."

Deka will follow up on this issue.

If DekaBank identifies violations of the specified requirements of the sustainability declaration within the framework of the regular supplier audits or learns of this by other ways, the supplier has the opportunity to correct the identified deficiencies. If this is not done, or is not done sufficiently from the point of view of DekaBank, a multi-stage process is set in motion, which may result in the termination of the contractual relationship.

In the course of the continuous examination and update of the sustainability declaration for suppliers, the responsible unit of business services extended the sustainability declaration for suppliers by an additional paragraph on collaboration in 2017 in cooperation with the sustainability management. Current developments in the sustainability debate as well as requirements from auditors and rating agencies stipulated granting a sanctioning option up to the termination of the contract to DekaBank in case of serious violations of the sustainability declaration. In the year under review, there were no terminations of supplier relationships due to violations of the sustainability commitment. Sustainability management bears the responsibility for this process.

**5.3****Climate protection****Energy consumption**

The reduction of energy consumption at the locations of the Deka Group contributes directly to the reduction of greenhouse gas, particularly CO<sub>2</sub>, emissions. On the basis of the results of the energy audits carried out in 2015 according to DIN 16247, the real estate management of Deka was able to carry out numerous measures for the reduction of energy consumption in 2017. Thus, among other things, the lighting in the Trianon office building in Frankfurt was successively converted further to the LED technology and the control of the elevators was set for more energy efficiency. At the Prisma location, the lighting in the corridors was replaced with LED lamps. Feasibility calculations are carried out regularly for the individual measures. According to them, the installation of LED lights, for example, pays off after only a few years with the underlying assumptions for usage times and the electricity price.

Through these and numerous other measures, energy consumption in the year under review could be reduced by approximately 3.8 percent to around 18.8 million kilowatt hours (kWh). The energy intensity in 2017 was 5,357 kWh per employee. This corresponds to a reduction of more than 9 percent (2016: 5,893 kWh per employee).

### Transport

Business travel, in addition to the energy consumption, represents the most important direct environmental impact of non-producing companies. After an increase in the total transport performance by around 2.7 percent in 2016, it increased in the year under review by 6.95 percent. While the increase in the road transport was only negligible with 1.6 percent, considerable increases were recorded in the rail transport (+9.4 percent) and the air traffic (+11.9 percent). In total, Deka Group employees covered around 23.5 million kilometres on business trips in the year 2017, nearly 1.5 million kilometres more than in the previous year.

The implementation of the new company car regulation has demonstrably had a positive effect. The reduction of the vehicle classes anchored therein has already resulted in a reduction of the average CO<sub>2</sub> emission of the entire fleet from 127 g/km to 122 g/km. As not all leasing contracts have yet expired since the introduction of the new regulation and follow-up contracts about lower-consumption and lower-emission vehicles could be made, the average emission will probably reduce further in the coming years.

### Greenhouse gas emissions

The objective of reducing greenhouse gas emissions by five percent each year was not achieved in 2017. The absolute emissions increased from 10.193<sup>11</sup> tonnes CO<sub>2e</sub><sup>12</sup> in 2016 to approximately 10.588 tonnes CO<sub>2e</sub> in 2017 and thus, by 3.87 percent. This is particularly due to the increase in the business travels by nearly 7 percent, the increased paper consumption by approximately 48.7 percent as well as an increase in the water consumption by 11.9 percent.

## 5.4

### Waste and consumption of resources

The amount of waste generated in the year under review was reduced at all three locations in Frankfurt; with a total of 240.5 tonnes, it was more than 20 percent lower than the previous year. The amount of waste generated has thus been reduced for the third time in a row. The reduction should mainly be attributed to the waste separation system successfully introduced in 2016 at Prisma, which was now implemented in the Trianon building as well. All companies assigned with the disposal of waste have a specialist waste disposal certificate in accordance with the Recycling Law. Deka performs regular audits at the companies to ensure the safe and environmentally-friendly disposal of waste.

Due to regulatory requirements, the paper consumption has increased considerably and was 788 tonnes in the year under review. This was against the background of an extensive mailing campaign for informing all, i.e. approximately 4.36 million, deposit customers about changes in the investment tax law and in the Markets in Financial Instruments Directive II (MiFID II). In the year under review, the water consumption increased by nearly 12 percent to 39,128 cubic metres.

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<sup>11</sup> Due to a negligible addition in the district heat consumption (Prisma), there were slight adjustments in the specification in the Sustainability Report of 2016.

<sup>12</sup> In accordance with the GHG Protocol, in addition to CO<sub>2</sub>, five more major climate-relevant gases are summarised under the term CO<sub>2</sub>-equivalents (CO<sub>2e</sub>): Methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur groups of fluorocarbons (HFCs and PFCs).

## ENVIRONMENTAL INDICATORS 2017\*

## GREENHOUSE GAS EMISSIONS (TABLE 12)

	Direct emissions (Scope 1) kg CO <sub>2e</sub>	Indirect emissions (Scope 2) kg CO <sub>2e</sub>	other indirect emissions (Scope 3) kg CO <sub>2e</sub>	Total
2014	1,813,279	6,652,422	3,127,244	11,592,946
2015	1,859,778	7,183,277	3,364,716	12,407,771
2016	1,815,069	5,016,864	3,361,295	10,193,228
2017	1,844,898	4,844,680	3,898,611	10,588,189

## ENERGY CONSUMPTION BY ENERGY SOURCE IN 2017

	Trianon ML16 in kWh	Prisma HS55 in kWh	Skyper TA 1 in kWh
Electricity	5,813,943	4,315,752	1,327,464
Diesel for emergency electricity	11,333	9,029	595
District heating	4,382,651	2,632,338	298,333
Total	10,207,927	6,957,119	1,626,392

## DEVELOPMENT OF TOTAL ENERGY CONSUMPTION

	2014 in kWh	Tolerance to 2013	2015 in kWh	Tolerance to 2014	2016 in kWh	Tolerance to 2015	2017 in kWh	Tolerance to 2016
Trianon ML16	10,534,449	-7.4 %	11,227,097	6.6 %	11,520,019	2.6 %	10,207,927	-11.4 %
Prisma HS55	6,427,437	-11.3 %	6,792,819	5.7 %	7,027,406	3.5 %	6,957,119	-1.0 %
TA 10	1,988,699	-28.3 %	–	-100.0 %	–	–	–	–
Skyper TA 1	1,385,934	-6.3 %	1,491,233	7.6 %	1,509,469	1.2 %	1,626,392	7.7 %
Total	20,336,518	-11.1 %	19,511,149	-4.1 %	20,056,894	2.8 %	18,791,438	-6.3 %

## DEVELOPMENT OF ABSOLUTE BUSINESS TRAVEL ACCORDING TO MODE OF TRANSPORT

	2014 in km	Tolerance to 2013	2015 in km	Tolerance to 2014	2016 in km	Tolerance to 2015	2017 in km	Tolerance to 2016
Rail transport	2,669,702	6.3 %	2,742,944	2.7 %	3,133,884	14.3 %	3,427,671	9.4 %
Road transport	9,428,358	22.1 %	10,105,359	7.2 %	9,829,064	-2.7 %	9,987,789	1.6 %
Air transport	9,715,643	15.3 %	8,617,947	-11.3 %	9,034,886	4.8 %	10,106,491	11.9 %
Total	21,813,703	16.9 %	21,466,250	-1.6 %	21,997,834	2.5 %	23,521,951	7.0 %

## DEVELOPMENT OF ABSOLUTE DRINKING WATER CONSUMPTION

	2014 in m <sup>3</sup>	Tolerance to 2013	2015 in m <sup>3</sup>	Tolerance to 2014	2016 in m <sup>3</sup>	Tolerance to 2015	2017 in m <sup>3</sup>	Tolerance to 2016
Trianon ML16	16,984	-8.9 %	18,051	6.3 %	18,691	3.5 %	19,238	2.9 %
Prisma HS55	19,024	18.1 %	15,888	-16.5 %	13,850	-12.8 %	17,263	24.6 %
TA 10	1,345	60.1 %	–	-100.0 %	–	–	–	–
Skyper TA 1	2,126	-6.8 %	2,391	12.5 %	2,413	0.9 %	2,627	8.8 %
Total	39,479	4.2 %	36,330	-8.0 %	34,954	-3.8 %	39,128	11.9 %

## DEVELOPMENT OF ABSOLUTE WASTE PRODUCTION

	2014 in t	Tolerance to 2013	2015 in t	Tolerance to 2014	2016 in t	Tolerance to 2015	2017 in t	Tolerance to 2016
Trianon ML16	157.0	42.4 %	172.8	10.0 %	154.2	-10.7 %	105.8	-31.4 %
Prisma HS55	106.7	-0.6 %	108.6	1.8 %	104.1	-4.1 %	93.6	-10.1 %
TA 10	48.7	852.1 %	–	-100.0 %	–	–	–	–
Skyper TA 1	40.2	23.1 %	44.3	10.2 %	43.6	-1.6 %	41.0	-5.9 %
Total	352.6	38.1 %	325.6	-7.7 %	301.9	-7.3 %	240.5	-20.4 %

\* data basis for energy / resource consumption and emissions:

- The data relate to the three DekaBank buildings in Frankfurt am Main (Trianon, Prisma and Skyper), the building TA 10 was demolished in the meantime.
- In addition, the following exceptions should apply for the data basis: Information on business trips is available throughout the company for the Deka Group. Here, the location in Luxembourg is included along with the locations in Germany. The branch in Switzerland was closed in 2015 for business reasons. Before 2015, 25 per cent of electricity demand was covered by green energy and 100 per cent in Luxembourg,

from 2016 the share in Frankfurt has been increased to 75 per cent. This green power was, however, not included in the calculation with zero CO<sub>2</sub> emission factors, but in accordance with the origin, in Frankfurt with the factor for water power and in Luxembourg with the factors for wind and water power (50 per cent each). We obtained the emissions factor from the supplier for power consumption.

- The Leipzig branch is not yet included in the coverage of energy consumption, water and waste.

## 6. Corporate citizenship

Supporting not-for-profit institutions and bodies lies at the core of the Sparkassen Finanzgruppe brand. In order to achieve lasting effects, DekaBank focuses on medium and long-term cooperation, which is invested in addition to the commitment of the Sparkassen Finanzgruppe. The main focuses of DekaBank's corporate citizenship include the promotion of education and science, contemporary art and architecture as well as social projects and sports. Measures with both national and international appeal are supported, particularly in the social field, but also local projects and initiatives at the locations.

### 6.1

#### Social engagement

##### Support for the integration of refugees

DekaBank continued the emergency programme initiated in 2015 for this purpose also in 2017. Associations, in which employees work voluntarily for refugees, could apply for a total of 100 donations of 1,000 euros. After emergency measures and initial care of refugees were the main focus in 2015, the public authorities, associations and voluntary helpers committed themselves more intensely to the integration of people in society and professional life in 2016. DekaBank's support measures took this development into account: In 2017, employees, whose project was already supported by the emergency programme, could make confirmatory applications for these already supported initiatives in order to stabilise their goals and results and to support the integration of refugees more intensely. From 2015 to 2017, 100 associations were supported in their work and the budget of the support programme was thus exhausted.

In the year under review, the first vocational trainees with recognised refugee status successfully completed their twelve-month traineeship at Deka. In close cooperation with the Jobcenter Frankfurt, Deka had provided around 40 additional traineeships in the years 2016 to 2017 within the scope of the programme for professional integration of refugees.

##### Christliches Kinder- und Jugendhilfswerk Arche e.V.

Since 2008, DekaBank supports "Freundeskreis Arche Frankfurt e.V." with an annual donation. The current agreement stipulates to continue this cooperation up to 2019. The "Arche" cares for children from all social backgrounds, including refugee children and their families. As a measure of the emergency programme for refugees, Deka has made a donation of 500,000 euros available to "Freundeskreis Arche e.V." at the end of 2015, which was earmarked for the construction of a youth facility in Griesheim. This meant that the overall financing for the new facility could be guaranteed for three years. Through the youth facility, the child facility at the neighbouring Berthold-Otto primary school is extended to young people of 12 to 17 years of

age. After a construction period of only seven months, which was supported by experts from Deka Immobilien GmbH, the youth facility was inaugurated in June 2017 in the presence of the Hessian Social Minister Stefan Grüttner (CDU) and the Mayor of Frankfurt, Peter Feldmann (SPD). The youth facility is the fourth facility of the "Arche" children's project in Frankfurt am Main.

##### Deutsche Krebshilfe e.V.

DekaBank has been a reliable partner in the annual national golf benefit tournaments in aid of "Deutsche Krebshilfe e. V." (DKH, German Cancer Aid) since 2006. Around 7,500 golfers took part in the biggest benefit golf tournament in Europe in 2017 and combined sporting activity with help for people with cancer. As a general sponsor, DekaBank supports this event by providing winners' prizes for the entire tournament series. In total, 280,000 euros were raised for this good cause in 2017.

### 6.2

#### Education and science

##### Goethe University Frankfurt am Main

Since 2016, DekaBank supports two endowed chairs at the House of Finance of Goethe University. The "House of Finance Professorship for Sustainable Asset Management" was occupied by Dr. Alexander Hillert in July 2016. The procedure for the "House of Finance Qualification Professorship for Sustainable Banking" was completed in 2017. The presidium of the Goethe University appointed Özlem Dursun-de Neef (Ph. D).

##### Private Institute for Quantitative Capital Market Research (IQ-KAP)

The Private Institute for Quantitative Capital Market Research (IQ-KAP), founded by DekaBank in 2013 is a science-based research institute having the objective of improving the knowledge transfer between practice and academic research. The main task of the IQ-KAP is the quantitative research in the field of capital markets and the preparation of scientific papers in cooperation with universities and partners. The scientific advisory board includes Professors Frank Bulthaupt, Ulrich Klüh and Ulrich Schollwöck since 2013. Since a mandate in the advisory board is stipulated

for the respective Professor, the endowed chair of DekaBank at the House of Finance (HoF) of Goethe University, Prof. Dr. Alexander Hillert strengthens the advisory board since 2017. In the year under review, the committee was also expanded by Prof. Dr. Wolfgang Bessler (Justus Liebig University of Giessen).

## 6.3

### Art and culture

#### MMK Museum for Modern Art, Frankfurt am Main

Since 2002, DekaBank has supported the MMK Museum for Modern Art in Frankfurt am Main in expanding the museum collection, which comprises over 5,000 works of international art from the 1960's up to the present day. Since November 2015, Manuela Better, Director of Risk Management at DekaBank, has worked on the board of trustees of the Friends of the Museum for Modern Art, Frankfurt am Main for the needs and further development of the MMK. DekaBank is a founding partner of the museum building in the Taunus tower, the MMK2, and is supporting the exhibition until 2018 together with other partners. The exclusively private financing of MMK2 by foundations and companies is an example of an innovative and economically unique model of museum expansion.

#### documenta 14

Since 1997, the Sparkassen-Finanzgruppe is the main sponsor of documenta taking place in Kassel every five years, the world's largest exhibition of contemporary art. The commitment for documenta 14, which took place in Kassel from 10th June to 17th September 2017, was borne jointly by DekaBank, Kasseler Sparkasse, Sparkassen- und Giroverband Hessen-Thüringen and Sparkassen-Kulturstiftung Hessen-Thüringen, SV Sparkassen-Versicherung, Helaba, Finanz Informatik as well as Sparkassen-Kulturfonds of DSGV.

#### Dresden State Art Collections

Since 2006, DekaBank has been one of the main sponsors of the Dresden State Art Collections (SKD). In 2017, two new permanent exhibitions in the armoury, "On the Way to Electoral Power" and "Electoral Wardrobe" were supported. In the year under review, the cooperation between the Sparkassen-Finanzgruppe, with involvement of DekaBank, and SKD was extended by three more years.

#### Foundation for Photography and Media Art with Michael Schmidt Archive

The Foundation for Photography and Media Art with Michael Schmidt Archive was launched in 2003. Its goal is to preserve the work of the artist Michael Schmidt, who died in 2014. From 2015 to 2019, DekaBank will support the Foundation with an annual amount to implement a retrospective, which is planned for 2020, on the occasion of the 75th anniversary of Michael Schmidt's birth in the New National Gallery in Berlin.

#### National Youth Orchestra

In December 2017, DekaBank and the supporters of the National Youth Orchestra, Stiftung Bundesjugendorchester and Deutsche Musikrat, have agreed to collaborate up to 2020. The support will include the new procurement of music instruments and financial support services for needy members of the orchestra.

The National Youth Orchestra, which was founded in 1969 by the Deutsche Musikrat, is the national youth orchestra of the Federal Republic of Germany. Its work is focussed on supporting the participating musicians, who are between 14 and 19 years old. The orchestra annually performs about 25 concerts in Germany and abroad and also accompanies the Federal President on special foreign trips. The National Youth Orchestra will also perform in the ceremony of the 100-year anniversary of Deka on 1 February 2018 as well as in the employee event on the next day.

#### DekaBank art collection

DekaBank has been building up its collection of 21st Century art since 2003. The internationally oriented collection now includes over 1,400 works and reflects the diversity of artistic expression in the 21st Century. It focuses on works, which address relevant social issues and stimulate debate about the current definition of art. The structure of the collection gives particular weight to the new generation of artists. Guided tours are held regularly for DekaBank's business partners and employees. DekaBank participated in "Kunst privat! Hessische Unternehmen zeigen Ihre Kunstsammlungen" ("Private art! Hessian companies show their art collections") for the thirteenth time in 2017 and opened the doors of the exhibition to interested visitors.

Selected works from the DekaBank art collection were presented at an extensive exhibition outside Frankfurt in the year under review for the first time in the collection's history. Upon invitation of Stiftung Schloss Neuhausen, a top-class selection of works of established artists as well as young, emerging positions could be seen in the exhibition hall of Schloss Neuhausen from 22nd October to 3rd December 2017 under the title "Kunst als Spiegel der Gesellschaft". Claus Richter, who is also represented in the DekaBank art collection with his works, developed a striding spatial installation especially for this exhibition. The exhibition was sponsored by Sparkassen-Kulturfonds.

## 6.4

### Sport

#### German Olympic Sports Confederation (DOSB)

Since January 2008, the German Savings Banks and Giro Association has been an Olympic partner of the German Olympic Sports Confederation (DOSB) with the participation of DekaBank and other affiliated companies. It is important for the sponsors to support both popular and specialised sports. In addition to our commitment as a partner of Germany's Olympic team and as a national sponsor of the German Disabled Sports Association (Deutscher Behindertensportsverband), we are also supporting the German Sports Badge (Deutscher Sportabzeichen) and elite sports schools. Cooperation with the DOSB was extended at the end of 2016 by a further four years to 2020.

## 6.5

### Historical archive and Dekarium

In the historical archive of DekaBank, all historically relevant documents of the company history are stored and archived under the guiding principle "There is no future without a past". The collection presently comprises around 3,800 files, 1,500 pictures, 900 data carriers with over 7,000 minutes of footage and 15 objects.

In the year under review, the "Dekarium" was set up as a "lively presentation of history" for the 100-year anniversary of Deka in 2018. For this, the contents of the historical archive were prepared for a vivid and interactive exhibition with the help of modern technology. The exhibition is structured such that the three areas "German history", "Sparkassen history" and "DGZ-/Deka history" are presented simultaneously. In the "Gallery of contemporary witnesses", contemporary witnesses such as the former DSGV President and long-standing Chairman of the Board of Management Dr. Helmut Geiger get a chance to speak; they give a firsthand-account of special events from the history of Deka.

The "Dekarium" will be inaugurated at the beginning of 2018 and will be open to employees and guests of Deka-Bank as well as to the interested public.

## 6.6

### Donations

In the year under review, Deka donated a total of 874,166.05 euros. The largest of the total 124 single donations went to the Goethe University and the Christliches Kinder- und Jugendhilfswerk Arche e.V. in Frankfurt am Main. Other local donations were made in the framework of the special refugee aid as well as the "Deka – making a local commitment!" campaign.

## INDICATORS OF SOCIAL COMMITMENT



**473,968 EUROS**  
Deka funds for **education and science** in 2017



**522,500 EUROS**  
Deka funds for **art and culture** in 2017

TOTAL COMMITMENT (Euros)	2013	2014	2015	2016	2017
Social affairs	603,079.91	311,900.41	763,955.93	220,748.97	265,940.91
Education and science	507,154.00	676,885.59	470,916.00	498,689.84	473,968.00
Art and culture	603,335.00	719,337.00	413,900.00	421,839.00	522,500.00
Sport	154,700.00	223,900.00	160,800.00	191,840.00	159,350.00
Miscellaneous	37,449.87	10,255.00	115,382.00	29,500.00	106,260.84
<b>Total</b>	<b>1,905,718.78</b>	<b>1,942,278.00</b>	<b>1,924,953.93</b>	<b>1,362,617.81</b>	<b>1,528,019.70</b>

### STRUCTURE OF FUNDING (Euros)

Donations	1,380,549.87	904,901.00	1,327,748.00	789,646.84	874,166.05
Sponsoring	525,168.91	1,037,377.04	597,205.93	572,970.97	653,853.70



Each year, 25 facilities, which are close to the hearts of employees or in which they are involved themselves, are supported with 1,000 euros each. In 2017, there were 316 project submissions.

In the year under review too, the Restcent scheme took place, in which DekaBank employees can donate the cent amounts of their monthly salaries. In the run-up, the employees were able to select the 2017 donation recipient from a wide range of eligible institutions ("Deutsche Stiftung für junge Erwachsene mit Krebs"). 1,174 employees took part in the scheme in 2017. Thanks to their commitment, a donation amount of 6,720.20 euros was achieved, which was rounded to 7,500 euros.

Deka awards donations to institutions, which serve exclusively and directly for the promotion of charitable, church and benevolent purposes and are entitled to issue tax donation certificates. Donation requests, which are in general addressed to the Deka Group, are processed by the Board Staff & Communication unit. The Department of Sustainability Management maintains the central donation register of the bank, in which all donations are documented, and regularly informs the Board of Management about the donations made. The divisions of Compliance and Taxes can any time check the donation register for control purposes. The competence regulation of the Deka Group about donations stipulates that up to 500 euros, the respective units can decide about the allocation. Up to 5,000 euros it is the decision of the specialist division, up to 10,000 euros the decision of the responsible department head in the Board and above 10,000 euros the decision of the entire Board of Management.

Donations to political parties, political foundations, employer associations or unions are excluded. In the year under review, no such payment had been made.

# Audit certificate about the implementation of the CSR Guideline Implementation Act

DekaBank engaged AGIMUS GmbH Umweltgutachterorganisation und Beratungsgesellschaft to perform a review of its 2017 Sustainability Report in terms of materiality, transparency and comparability. It is the responsibility of the Board of Management to ensure that key indicators on sustainability performance are appropriately determined and presented in accordance with the reporting criteria including the appropriate identification of significant issues. Our responsibility is to verify that the statements made in the Sustainability Report are transparent as well as complete and correct according to the requirements of the Act for strengthening the non-financial reporting of the companies in their management and group management reports (CSR Guideline Implementation Act) as well as the GRI-Standard G4.

## Independence and quality assurance of the environmental verification provider

We observed the requirements for the independence of environmental verification providers as well as further professional ethical requirements for third party reviews and conducted our review of the Sustainability Report in line with the procedures for the certification of the environmental management system set out in ISO 14001. In addition, the correctness of the information in the Sustainability Report was verified through an on-site check in Frankfurt.

## Audit task and audit activities

It is our responsibility, based on the procedures that we have performed, to express an opinion as to whether any matters have come to our attention that cause us to assume that the information in DekaBank's Sustainability Report for the 2017 financial year has not, in material respects, been prepared in accordance with the criteria of the CSR Guideline Implementation Act or the Sustainability Reporting Guidelines Vol. G4 of the GRI. We were also engaged to make recommendations for the further development of the environmental management and sustainability reporting, based on the results of our environmental verification review.

When conducting our review, we observed the professional practice guidelines for environmental verification providers. In doing so, we planned and performed our engagement with due regard to the principle of materiality, in order to express our opinion with reasonable assurance.

The selection of verification procedures is at the due discretion of the environmental verifier and was made in connection with the verification procedures for the ISO 14001 certification, both technically and in terms of content.

Within the scope of our environmental verification review, we conducted the following procedures, among others:

- Interviewed employees from the departments responsible for the preparation of the report about the process for preparing the report and on the internal controls in place around this process;
- Inspected documents regarding the sustainability strategy and gained an understanding of the environmental and sustainability management structure, the stakeholder dialogue and the development process for the company's environment and sustainability programme;
- Intensively interviewed employees in the specialist departments responsible for individual sections of the report;
- Recorded the procedures and documentation of the systems and processes for the collection of data and information;
- Aggregated selected data; performed an analytical review of data included in the report;
- Plausibility check and aggregation of the sustainability data as well as its verification;
- Conducted an audit and site inspections at the Frankfurt am Main office;
- Obtained further evidence for the information in the report through intensive inspection of internal documents as well as reports and records from external service providers.

We have had the errors found in the report draft corrected; missing information to a smaller extent was incorporated.

## Opinion

On the basis of the audit activities performed and the audit evidence obtained, no matters have come to our attention that lead us to conclude that the information in the non-financial statement in the independent Sustainability Report of the Deka Group for the period from 1st January 2017 to 31st December 2017 has not, in all material respects, been prepared in accordance with the regulations of the CSR Guideline Implementation Act and the Sustainability Reporting Guidelines Vol. G4 of the GRI.

Braunschweig, 9th February 2018



Dr. Ralf Utermöhlen  
(Environmental Verifier, DE-V-0080)



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#### **Information online**

The Sustainability Report 2017 of the Deka Group can be found on our website [www.dekabank.de](http://www.dekabank.de) under "Deka Group / Sustainability".

#### **Ordering Reports**

We would be pleased to send you a printed copy of the Sustainability Report 2016 of the Deka Group. If you would like to receive the report on a regular basis, please contact us.

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