

Deka Group

Sustainability Report 2020

 Finanzgruppe

„Deka



Deka Group – Key Figures 2020¹

BUSINESS DEVELOPMENT INDICATORS		31 Dec 2019	31 Dec 2020
Total assets	€m	97,282	85,509
Total customer assets	€m	313,412	339,160
thereof retail customers	€m	158,749	167,159
thereof institutional customers	€m	154,662	172,001
Number of securities accounts	(thousand)	4,787 ²	4,973 ²
		2019	2020
Net sales	€m	18,040	32,148
thereof retail customers	€m	11,117	12,600
thereof institutional customers	€m	6,923	19,548
SUSTAINABILITY RATING ³			
Sustainalytics		19.1 Low Risk ⁴	17.8 Low Risk ⁴
MSCI ESG		AA	AA
ISS ESG		C+ Prime	C+ Prime
SUSTAINABLE PRODUCTS			
Volume of sustainable retail funds	€bn	4.1	7.4
Managed capital in sustainable products (securities)	€bn	12.1	22.1
Share of certified buildings in property funds ⁵	%	68	68
Sustainable investment volume of Depot A proprietary investments	€bn	14.0	9.9
SUSTAINABLE HR MANAGEMENT			
Number of employees	group-wide	4,566	4,541 ⁶
	Germany	4,168	4,117
Proportion of women in Germany	%	39.4	38.9
Proportion of women in leadership positions in Germany	%	19.1	19.2
Part-time ratio in Germany	%	19.9	20.9
Turnover rate in Germany	%	4.4	4.9
Financial cost of further training in Germany	€/employee	1,042	676
SUSTAINABLE BANKING			
Power consumption ⁷	kWh	11,224,875	9,859,466
Energy consumption ⁷	kWh	20,816,390	19,286,304
Paper consumption ⁸	t	875	674
Drinking water consumption ⁷	m ³	42,755	27,289
Volume of waste generated ⁷	t	261	112.4
Business trips (group-wide, without S Broker)	km	23,965,660	13,090,050
Direct greenhouse gas emissions (scope 1) ⁹	kg	1,760,145	1,263,411
Indirect greenhouse gas emissions (scope 2) ⁹	kg	4,412,596	3,325,254
Other indirect greenhouse gas emissions (scope 3) ⁹	kg	3,213,905	1,821,813
Greenhouse gas emissions (total) ¹⁰	kg	9,386,646	6,410,478
CORPORATE CITIZENSHIP			
Expenditure for foundations, donations and sponsoring	€m	1.34	1.28

¹ From 01.01. to 31.12.

² Including S Broker AG & Co. KG.

³ Last updated: Sustainalytics: 16.09.2020; MSCI: 20.11.2020; ISS ESG: 22.06.2020; see also chapter 5.7 "Sustainability ratings".

⁴ Sustainalytics has changed its assessment methodology in 2019 so that the results are not comparable with the data in the Sustainability Report 2019.

⁵ See chapter 4.1.1.2.2 "Real Estate-based investment products".

⁶ The 167 employees of S Broker are not included and are listed separately in chapter 4.2 "Employees – Sustainable HR management".

⁷ Figures refer to the four buildings in Frankfurt am Main (excluding business trips and paper consumption).

⁸ Figures are available group-wide. Comprises: letter paper, pre-printed paper, envelopes, forms, copy paper (general office paper), promotional printed materials/publications.

⁹ Refer to the locations Frankfurt, Berlin and Leipzig including group-wide paper consumption and business travel volume.

¹⁰ The GHG Protocol covers five other climate-relevant gases in addition to CO₂: methane, nitrous oxide, sulphur hexafluoride and two groups of fluorocarbons (CO_{2e}).

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Since 2020, this Sustainability Report has followed the established **ESG** structure **ENVIRONMENTAL, SOCIAL** and **GOVERNANCE**.

1. Preface

Ladies and Gentlemen,
in 2020, the Corona pandemic has affected us in almost all areas of life: in the circle of family and friends, as entrepreneurs and employees, as borrowers and investors. It has impressively shown us as to how vulnerable our mobile society and our globalised economy are for such crises. But it has also shown us as to how we can overcome such situations together with the right attitude and the openness to explore new paths. This should encourage us to tackle the sustainability-related challenges lying ahead of us.

It is important that we also keep an eye on our medium- and long-term challenges and particularly on the climate change, in addition to the fast and non-bureaucratic assistance for the people, businesses and sectors particularly affected by the Corona pandemic. In the capital markets strongly influenced by the pandemic in the year under review, it has often been seen that companies with a climate-friendly and resource-conserving business model were overall more resistant to the crisis. The investments in climate protection and sustainability planned at the national as well as European level therefore not only contribute to achieving the global and national climate and sustainability goals, but are also a good investment in the resilience of our economy and our financial system against future crises.

Climate protection and sustainability remain a high priority even at the regulatory level. In mid-December, the EU heads of government have markedly intensified the climate goal for the European Union. Instead of the previously targeted reduction in the greenhouse gas emissions by 40 percent as compared to 1990, a reduction of at least 55 percent should now be achieved by 2030. In order to mobilise the necessary funds among private and institutional investors, the EU Commission has also vigorously boosted the implementation of measures from its Action Plan on Financing Sustainable Growth in the year under review. The heart of this Action Plan – the EU taxonomy of sustainable economic activities – is available for the two EU environmental goals “climate protection” and “adaptation to climate change” and has already been incorporated in more measures, such as the far-reaching disclosure regulation. The specifications for the introduction of an active query of sustainability-related preferences of investors in the consultations have also been further clarified.

In the year under review, the Deka Group has also further intensified its sustainability-related activities and, within the scope of its Management Agenda 2025, set the course for a stronger orientation of its activity towards the promotion of sustainable development and climate protection. In the field of action of “Growth through sustainability” of the

agenda, we intensively deal with the question as to how we can link such a sustainable orientation with economic opportunities for the Deka Group. This is about the further anchoring of sustainability and climate goals in strategy, risk management and reporting, the continued qualification of our employees – but it is mainly about offering our customers products and services that allow them to invest in a sustainable future. An example for this approach are the two sustainable impact funds, which we have issued in the year under review with great success.

Just like many other sectors and companies, the effects of the Corona crisis entailed massive changes for our employees too. I would expressly like to thank them for the fact that we managed to maintain the high quality of our work even under difficult external conditions. Some of these changes, for example the stronger combination of the workplace and home office, are becoming an integral part of the modern working world. In our new building project in Frankfurt-Niederrad, these developments are already being extensively included in the planning. At the same time, the new building will meet high energy and environmental standards and is therefore another element of our commitment to climate protection.

In the year under review, we have underlined our responsibility for climate protection by signing the “Commitment by German savings banks to climate-friendly and sustainable business practices”, which has been developed by German Savings Banks Association (Deutscher Sparkassen- und Giroverband – DSGV) together with the members of the S Finance Group. Therein, the signatories commit to the Paris climate goals and to global sustainable development, as set out in the Sustainable Development Goals of the United Nations. We have already implemented one of the goals formulated in the commitment, the greenhouse gas neutrality of the business operations, for the year under review 2020.

Our voluntary commitment complements our commitment to the UN Global Compact, to which we have already acceded in 2011. We have thus obligated ourselves to implement its ten principles that are related to the

compliance with human rights and labour standards, environmental protection and fighting against corruption and bribery. Our commitment to the UN Global Compact also includes the obligation to annually report about the progress made. We are happy to fulfil this obligation with this sustainability report.

Yours sincerely



Dr. Georg Stocker
Chairman of the Board of Management

WE SUPPORT



Note on the CSR Guidelines Implementation Act (CSR-RUG) and GRI Standards

With this report, we fulfil our duty from the CSR Guidelines Implementation Act (CSR-RUG) just like the previous years. Since 2017, the legally stipulated audit of the contents of the sustainability report is undertaken especially by exercising the right to commission an external audit (§ 111 para. 2 sentence 4 AktG (Company Law)). The auditor has issued the necessary audit certificate, so that the corresponding legal stipulations of the CSR-RUG and the relevant sections of the German Commercial Code (§§ 289b to 289e HGB) as well as the current guidelines of the recognised Global Reporting Initiative (GRI Standards) are fulfilled. The GRI content index can be found on our website www.deka.de/deka-group.

OVERVIEW

Highlights of the year 2020

Strategic anchoring of sustainability topics

- Definition of the field of action of “Growth through sustainability” within the scope of the Management Agenda 2025 PAGE 7
- Restructuring of the sustainability report along the established complex of themes of Environmental (environment), Social (customers, employees, society) and Governance (corporate governance) (ESG) PAGE 8
- Update and further development of the materiality analysis PAGE 10
- Signing of the Commitment by German Savings banks to climate-friendly and sustainable business practices (Selbstverpflichtung deutscher Sparkassen für klimafreundliches und nachhaltiges Wirtschaften) PAGE 15

E — ENVIRONMENTAL
Sustainable banking operations

- Comprehensive further development of sustainability criteria in the procurement PAGE 16
- Distinction of DekaBank as an Environmental Champion in the category of “Investment companies” by the F.A.Z.-Institut PAGE 16
- Ensuring climate-neutral banking operations by purchasing and closing certificates from high-quality climate protection projects PAGE 17
- Implementation of high energy and environmental standards at the new location in Frankfurt-Niederrad PAGE 21

S — SOCIAL
Customers, employees and society**Customers**

- Definition of exclusion criteria for coal companies in mutual funds of Deka Investment GmbH and certificates of DekaBank as well as in DekaBank’s own investments PAGE 23
- Introduction of the two impact-oriented funds Deka-Nachhaltigkeit Impact Aktien and Deka-Nachhaltigkeit Impact Renten as well as the product family Deka MSCI Climate Change ESG UCITS ETF PAGE 23
- Further development of the sustainability strategy in the business area of Real Estate Asset Management PAGE 30
- First-time survey of the CO₂ footprint for all real estate funds PAGE 30

Employees

- Extensive participation of user representatives and employee representatives in the designing of the new office building in Frankfurt-Niederrad PAGE 20

- Creation of the organisational and technical requirements for work flexibility within the framework of the Corona pandemic PAGE 36

- Execution of the DekaWay project for the interplay of classic and agile working forms PAGE 36

- Introduction of the “Pulse-Check” as a regular instrument of survey and participation of the employees PAGE 37

- Introduction of the new “Competence development” agreement for comprehensive integration of the employees in inhouse trainings PAGE 39

Society

- Exhibition of the works of Michael Schmidt within the scope of “Retrospective. Photographs 1965–2006” PAGE 51

- First-time promotion of the Schleswig-Holstein Music Festival (SHMF) and support of the relief fund “Das SHMF hilft” for artists affected by the Corona pandemic PAGE 51

- Distinction of the “Norra Tornen” twin towers in Stockholm (Sweden) with the International Highrise Award (IHP – Internationaler Hochhaus Preis) PAGE 51

G — GOVERNANCE

Sustainable corporate governance

- Signing of the Principles for Responsible Investment (PRI) by DekaBank PAGE 56

- Further improvement of the assessment of DekaBank in the ESG Risk Rating of Sustainalytics PAGE 63

2. Sustainability strategy

The effects of climate change that are becoming clearer show us that we must act quickly and decisively to limit the negative consequences of global warming for society, the environment and economy. The course for a successful fight against the causes and consequences of climate change will be set in the coming years. With the “Target vision 2025 – Guidelines on sustainability in savings banks” (Zielbild 2025 – Leitfaden zur Nachhaltigkeit in Sparkassen) elaborated in the year under review, the German Savings Banks Association (Deutscher Sparkassen- und Giroverband – DSGV) has laid the foundations for the Sparkassen-Finanzgruppe (Savings Banks Finance Group) to further integrate the challenges associated with climate change and sustainable development systematically into all areas of the business activity. The special significance of climate change is underlined by the “Commitment by German savings banks to climate-friendly and sustainable business practices” (Selbstverpflichtung deutscher Sparkassen für klimafreundliches und nachhaltiges Wirtschaften); DekaBank was the first affiliated company of the Finanzgruppe to sign it. DekaBank not only supports the sustainable orientation of the Sparkassen-Finanzgruppe – especially through the further expansion of its sustainable product line – but has also, based on this, integrated sustainability aspects into its new Management Agenda 2025. A central goal: “Growth through sustainability”.

2.1 Business model

DekaBank Deutsche Girozentrale (hereinafter referred to as: DekaBank) is a federal institution under public law. It forms the Deka Group together with its domestic and foreign subsidiaries. DekaBank is fully 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.).

As Wertpapierhaus of the savings banks, DekaBank supports the savings banks and their customers along the entire securities-related investment and advisory process. It also offers the savings banks as well as institutional customers outside the Sparkassen-Finanzgruppe an extensive consulting and solution spectrum for investment, liquidity and risk management as well as refinancing.

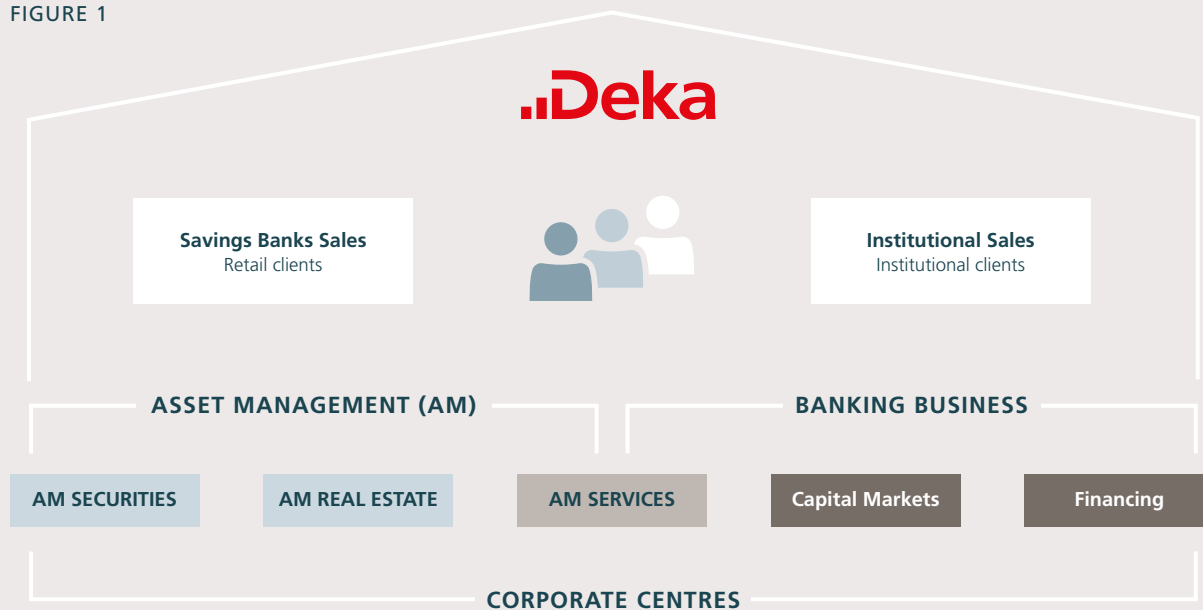
The business model of the Deka Group is characterised by the interaction of asset management and banking

business. As asset management products, the Deka Group provides securities, real estate and credit funds as well as certificates, including asset management services based on them for private and institutional investors. The special assets are supported in the asset management and the institutional customers in their asset management as well as the capital, liquidity and risk management. In this context, the Deka Group acts as financier, issuer, structurer, trustee, Asset Servicing provider and custodian bank.

The Deka Group has classified its activities into five business areas: Securities Asset Management, Real Estate Asset Management, Asset Management Services, Capital Market and Financing. The sales units are thereby the first point of contact in the market and combine the product and service offers for the different customer groups. Cf. **FIGURE 1**

Within the scope of the realignment of the Deka Group at the Luxembourg location, the final transfer of the business activities of DekaBank Deutsche Girozentrale Luxembourg S.A. into DekaBank Deutsche Girozentrale Luxembourg branch took place at the beginning of 2020.

FIGURE 1



2.2 Strategic and organisational anchoring of sustainability

Strategic anchoring

The roots of the sustainability management of the Deka Group are in the area of environmental management. Building on the corresponding preparatory work, the Deka Group has already introduced an environmental management system certified according to DIN EN ISO 14001 in 2009. In the same year, the first sustainability report of the Deka Group was published, which already fulfilled the comprehensive requirements of the Global Reporting Initiative (GRI). The sustainability report is audited by an external expert since the 2014 year under review and thus, before the entry into force of the CSR Guidelines Implementation Act. Since the 2015 fiscal year, sustainability aspects are an integral part of the business strategy and thus a core part of the business policy orientation, which is also transparent towards the Board of Management and the Supervisory Board.

Building on the successful implementation of the “DekaPro” programme that focuses on an even greater alignment of the service offer with the customers of the Deka Group under the keyword “Customer-centric”, mainly strategies and concrete approaches should be developed within the framework of the “Management Agenda 2025”, with which sustainability, among other things, can become a central catalyst for the further growth of the Deka Group. Financing investments in the transition to a climate-compatible and resource-conserving economy as well as the expansion of the product range in the field of sustainable capital investments are only two

examples of business opportunities that present themselves in the course of the increasing importance of sustainability and climate change in the finance market.

For this area, the current developments in connection with the EU Action Plan for Financing Sustainable Growth are a central framework condition. Within the framework of the EU taxonomy of sustainable economic activities, key points are defined on the designing of sustainable investment products, the transparency obligations for providers of sustainable capital investments as well as for the investment products are further expanded and the question of preferences in view of the consideration of sustainability criteria is bindingly anchored in the consultation between customer advisers and investors.

Cf. BACKGROUND: “Developments in the EU Action Plan on Financing Sustainable Growth”

The Deka Group therefore proactively accompanies the corresponding discussion processes at the European and national level since 2018 in order to be able to comprehensively address and implement relevant requirements for the Deka Group or its partners, the savings banks.

Organisational anchoring

DekaBank is managed by the Board of Management, comprising five members, in joint responsibility. On 01.01.2020, the responsibility of the Board of Management was given to Dr. Georg Stocker. With effect from 11.06.2020, Birgit Dietl-Benzin has been appointed as Chief Risk Officer and takes over from Manuela Better, who resigned from DekaBank at the end of May 2020.

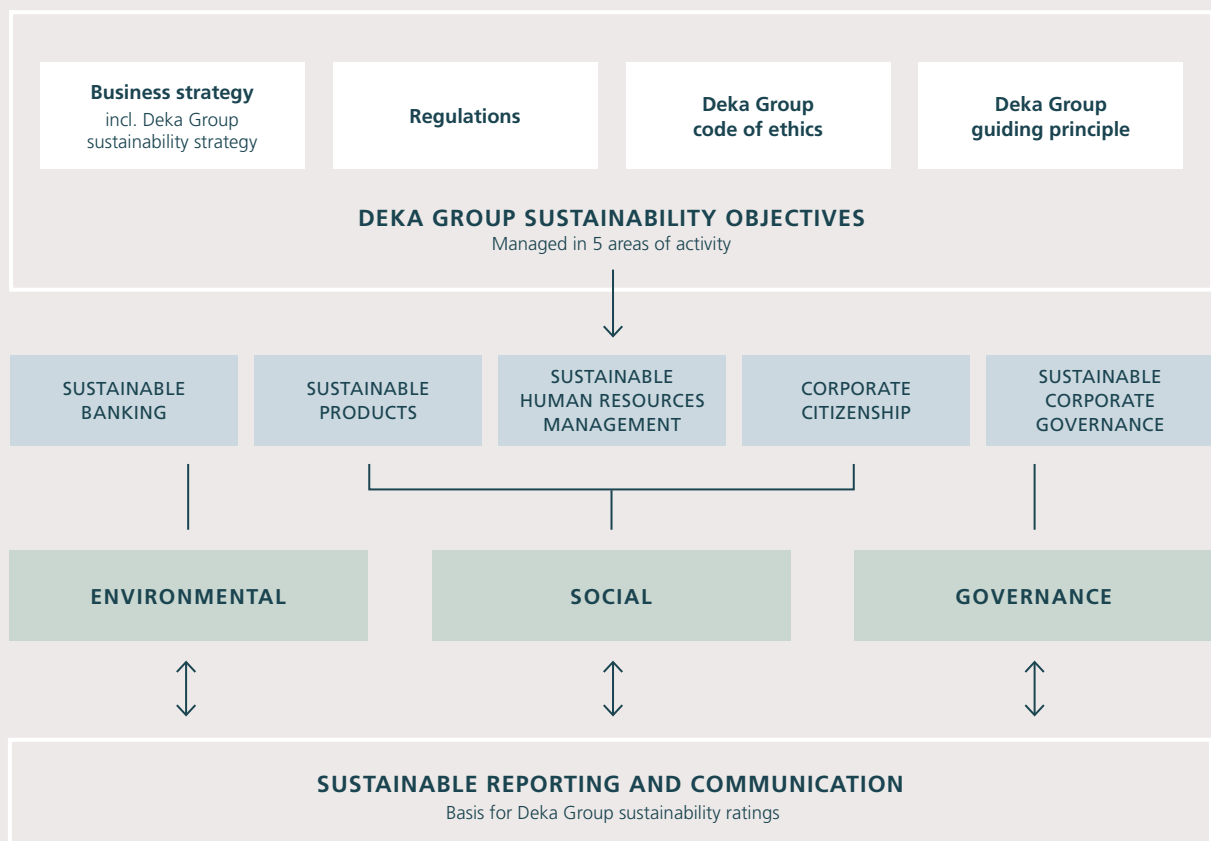
The Sustainability Management Department is part of the central division of Board Staff & Communication in the department of the Chairman of the Board of Management and coordinates the corresponding activities in the Deka Group. The implementation of activities in the five fields of action of Sustainable corporate governance, Sustainable products, Sustainable HR management, Sustainable banking operations and environmental management as well as Corporate Citizenship is decentralised and is the responsibility of the sustainability officers of the individual business areas and subsidiaries. The written guidelines and policies, such as the code of ethics of the Deka Group, regulations and the business strategy including the sustainability aspects anchored therein form the minimum standard mainly for the consideration of sustainability aspects in financing or investment decisions besides the defined exclusion criteria, the positive/negative list as well as the sustainability filter. Based on the comprehensive alignment of the business activity of the Deka Group to the principles of sustainable development, corresponding considerations are always included even in the decision-making processes.

The link between the strategic and organisational anchoring of sustainability management is the sustainability circle that takes place once a month, in which the sustainability officers of the business areas and the subsidiaries take part under the direction of the Sustainability Management.

Restructuring of the sustainability report

As compared to the previous years, the structure of this sustainability report was changed in 2020 and was more strongly aligned with the three complexes of themes, i.e. Environmental, Social and Governance – briefly: ESG – that are of central importance within the framework of the sustainable capital investment as well as among the rating agencies specialised in sustainability aspects. With the new structure, the Deka Group is more strongly oriented towards the information interests of investors and rating agencies. The sustainability performances of the five fields of action are also reflected in the new structure. Cf. FIGURE 2

FIGURE 2



2.3 Stakeholder dialogue and materiality analysis

Deka Group's stakeholders include its customers and employees, shareholders and supervisory authorities, suppliers and cooperation partners as well as representatives from politics, media and civil society, for example from non-governmental organisations. The Deka Group thereby uses very different ways to enter into dialogue with the various stakeholders. These range from cooperation in initiatives and associations through participation in conferences up to bilateral talks. The dialogues with the various stakeholders allows the Deka Group to understand the impact of its business operations and to record the topics and concerns of the various stakeholders. At the same time, it offers the possibility to declare one's own position and thus to create trust and acceptance for the Deka Group's activity. Important stakeholders are also sustainability rating agencies, which assess the quality of the sustainability management of the Deka Group on behalf of institutional investors. The criteria used by them and the assessments of the corresponding measures of the Deka Group give valuable clues for a location determination and for the further improvements of the Deka Group's sustainability performance. Cf. chapter 5.7 and "About the report"

Regular stakeholder surveys

An important basis for the strategic further development of the Deka Group, especially of the products and services as well as of the sales focus, are regular surveys of various customer groups. In the year under review, the Deka Group has commissioned its own analyses as well as supported the execution of surveys by the DSGV. In addition, Deka-Bank conducts regular surveys of its employees.

Customer surveys

Together with the DSGV, the Vermögensbarometer 2020 (asset barometer) was carried out in the year under review, which is based on a survey of more than 4,800 citizens over 14 years of age. In view of the importance of sustainable capital investment, the survey shows that around one third of the respondents (32 percent) already actively dealt with the topic of sustainability during wealth creation. 16 percent generally gathered information about sustainable capital investments; 10 percent asked about corresponding investment products in consultation. Seven percent of the respondents said that they have already invested sustainably.

In-depth insights into the attitudes and behaviour of the investors in the field of sustainable investment are offered by a survey conducted by DekaBank in the year under review in cooperation with Prof. Dr. Christian Klein from the Institute of Business Administration at the University of Kassel. Thereby, 4,160 citizens aged between 18 and

75 years were interviewed. Almost every eighth respondent (12 percent) said that he/she already has sustainable investments and wants to invest more money in this field in the next three years. Another 20 percent do not yet have sustainable investments; but are planning to make an appropriate investment in the next three years. Out of the 59 percent respondents, who do not have sustainable investments and are also not planning to invest, 23 percent justify this with the fact that they lack the financial resources. Besides the preference for an investment in accounts (23 percent), this is the most important reason for not investing sustainably.

Some of the most important reasons for a sustainable capital investment are that the respondents want to make a contribution to environmental and climate protection (62 percent) and leave a better world for the children and grandchildren (44 percent). At the same time, 18 percent of the respondents are not yet convinced that sustainable investments really achieve a sustainable effect. 33 percent of the respondents state that a sustainable investment would be more interesting for them if they could see every year as to which positive environmental or social impact their capital investment has achieved. According to their own statements, 41 percent of the respondents would, when investing in a fund, resort to a product that actively promotes the progress of companies in the direction of sustainability, just like the Impact funds of Deka Investment GmbH launched in 2020 do. For the respondents, important criteria for the exclusion of companies from sustainable investment are especially the manufacturing of ostracised weapons and armaments as well as violations of the principles of the UN Global Compact, which include the topics of labour standards and human rights, corruption and bribery as well as destruction of the environment.

The surveys show that the market potential of sustainable capital investments among private investors is considerably higher than the current market share. For example, 32 percent of the respondents state that they want to invest money in sustainable capital investments in the next three years; only 20 percent already have such investments. The most important key for the realisation of the market potential is comprehensive information of investors about sustainable investment strategies and solutions as well as about the sustainability-related impact of the investment options, for example through detailed ESG reporting for individual investment products. According to the Deka-Anlegermonitor (investor monitor) survey from July 2020, only about one in four respondents feels adequately informed about sustainable investments; for half of the respondents, the advice from the bank or savings bank adviser is important for this topic and one third of the respondents want to be addressed by the adviser about sustainable forms of investment. Prerequisite for this is extensive qualification and ongoing information of the

advisers on the sustainable capital investment in general and on the specifics of the sustainable investment products in particular. The Deka Group ensures this mainly through further education within the framework of the internal ESG-Academy as well as the continuous provision of information through its distribution channels.

Cf. “ESG integration into the investment process” in chapter 4.1.1.2.1.1

Within the scope of the survey of the savings banks as intermediaries that takes place every two years, an assessment of the Deka Group’s sustainability services was requested in September 2020. The result: 7 percent of the respondents (directors, managers and securities advisers) gave the offer of sustainability products the score “excellent”, 38 percent “very good” and 48 percent “good”; 7 percent voted with “average” and 1 percent with “poor”. The general meeting activities were assessed by 12 percent as “excellent”, by 41 percent as “very good”, by 43 percent as “good” and by 3 percent as “average”; a total of 34 percent of the respondents did not express their opinion on this.

Employee surveys

Besides the analysis of the attitudes and activities of investors, surveys are also an important instrument to systematically record assessments and requirements of the employees. Within the scope of the Management Agenda 2025, more compact employee surveys, so-called Pulse-Checks, should be conducted as a strategic instrument for the implementation of the agenda as well as for continuous, participative and sustainable development of the Deka Group. The involvement of the employees through Pulse-Check surveys is considered a crucial success factor for the achievement of corporate goals and for sustainable development of the Deka Group. Through Pulse-Checks, employees have the opportunity to give their feedback on specific topics and to identify needs for action. In addition, the satisfaction and, in future, the commitment of the employees will be increased within the scope of Pulse-Checks. A structured follow-up process will ensure that effective measures are developed for the identified potentials for improvement.

The first Pulse-Check was conducted in the year under review, which was mainly about the handling of the challenges of the Corona pandemic by DekaBank (cf. chapter 4.2.1). According to it, 92 percent of the respondents found the handling of the Corona crisis by DekaBank to be appropriate; 83 percent felt sufficiently informed. In the digitalisation of the working environment, which was also accelerated again in the course of the pandemic, 81 percent of the respondents see more opportunities than risks. A total of 89 percent of the respondents stated that they are glad to work at the Deka Group – a value that is considerably greater than that of other companies in the finance sector. The next

employee survey is planned for the beginning of 2021; it will focus on the topic of sustainability.¹

Materiality analysis

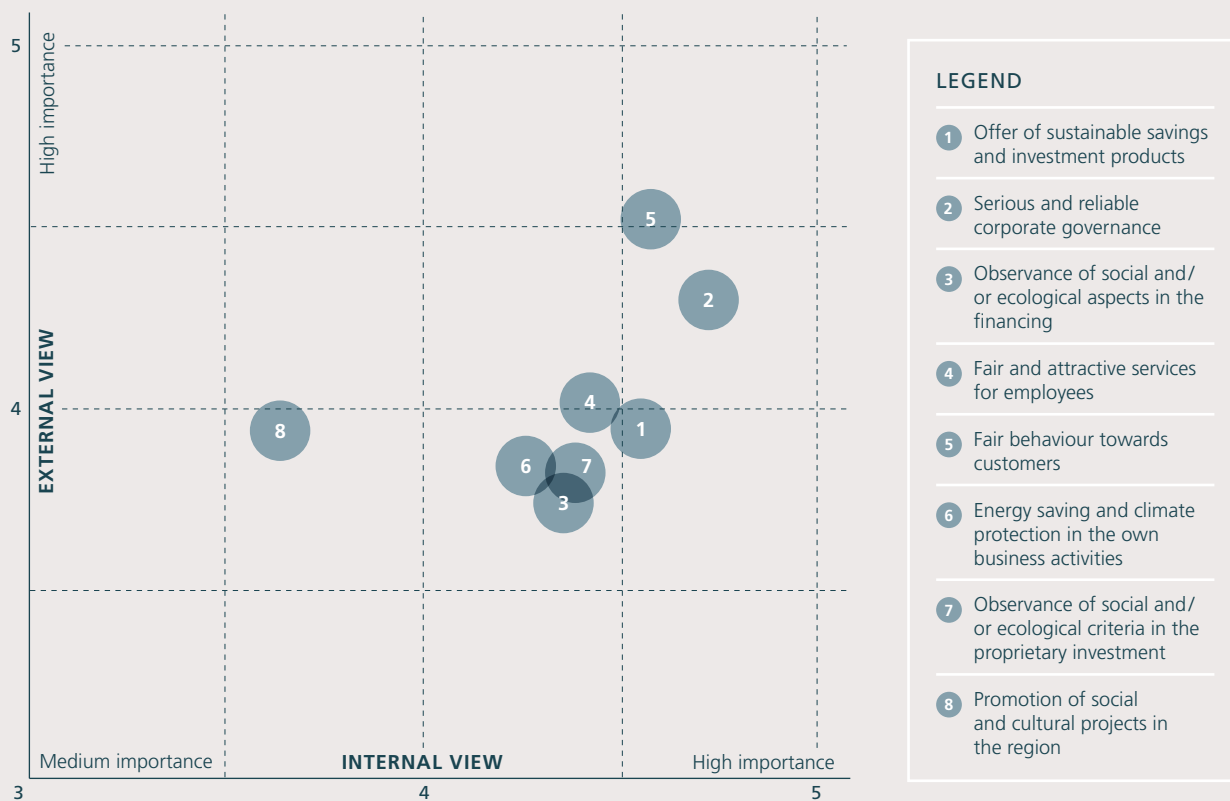
Within the scope of the reporting in accordance with the internationally recognised standard of the Global Reporting Initiative (GRI), DekaBank regularly carries out a materiality analysis. The foundations for the current analysis were laid in 2015, when the independent imug Beratungsgesellschaft für sozial-ökologische Innovationen conducted a broad basic survey on the materiality of 25 individual topics in five fields of action in cooperation with various savings banks associations and stakeholder groups. The topics identified within the scope of this survey were picked up in the following years in various surveys in order to be able to document changes in the assessment. In addition, individual topics were expanded in the context of focus surveys, such as the above-mentioned attitudes and behaviour on the part of investors in the field of sustainable investment. With a view to the strong orientation of the Deka Group towards its customers, such assessments of the savings banks customers are regularly of particular importance in the analysis of external stakeholders. An update of the basic survey is planned for 2021.

The categorisation and assessment of the important topics documented in the materiality matrix (cf. FIGURE 3) took place in two steps: In 2019, DekaBank commissioned imug Beratungsgesellschaft with the survey of current and potential customers. The surveys aimed at learning more about the importance attached by the respondents to the various areas of activity of sustainable corporate governance and as to how they assess the status of the sustainability performance of the Deka Group in the respective area of activity. imug surveyed a total of 1,000 representatively selected customers of the savings banks as well as 1,000 non-customers. The online survey took place in September 2019. Objects of the study were the perception and assessment of sustainability services, support and climate protection activities as well as sustainable financial products of the savings banks. Moreover, the general interest of the respondents in the topic of sustainability was surveyed. The savings banks customers could also assess the materiality of various sustainability-related fields of action.

In the year under review, this external survey was supplemented by an analysis of the internal assessment of the materiality of the sustainability services. In September 2020, employees from all important areas dealing with aspects of sustainability management were surveyed on their assessment of the materiality of the fields of action identified within the scope of the imug survey. Over half of the

¹ In the year under review, the Equal Opportunities Officer also conducted a third survey on the compatibility of career and family. Cf. chapter 4.2.4.

RESULTS OF THE MATERIALITY ANALYSIS (FIGURE 3)



respondents (55 percent) took part in the written survey. The respondents also included members of the internal sustainability circle. The circle meets monthly under the direction of the sustainability management to discuss current internal and external developments in the field of sustainability and, if necessary, to expand them into additional working groups. The circle includes executives and specialists from different units and companies of the Deka Group.

The two surveys result in an overall homogeneous picture in the materiality assessment of the individual fields of action from the external and internal perspective. The customers as well as employees attach a particularly high importance to both the aspects, i.e. "fair behaviour towards customers" ⑤ and "serious and reliable corporate governance" ②. At the same time, the "promotion of social and cultural projects in the region" ⑧ is comparatively the least important from the point of view of both groups under the fields of action analysed here.

When interpreting **FIGURE 3**, it should be noted that this represents a section of the total matrix. All sustainability aspects mentioned here were assessed by customers as well

as employees as "very important" or "more important" on a scale ranging from "not important at all" to "very important" and are therefore taken into account within the framework of the sustainability report.

In addition, the comprehensive information interests of the sustainability rating agencies as well as other stakeholders, especially the supervisory authorities and the non-governmental organisations, for which the report is a central source for the assessment of the sustainability-related services of the Deka Group, are taken into account when designing the content of the sustainability report.

Cf. chapter 2.2

In addition, the different conceptual and substantive requirements resulting from regulatory specifications, particularly the CSR-RUG, as well as voluntary commitments, especially the orientation towards the GRI standards, the requirements of the German Sustainability Code (DNK) as well as the progress reporting within the framework of the signing of the UN Global Compact must be met. **Cf. chapter "About the report"**

2.4 Sustainability communication

Sustainability topics are an integral part of the Deka Group's communication strategy and a regular subject of the communication with all relevant stakeholder groups. The Deka Group thereby informs the stakeholders, be it shareholders, customers, employees or even the general public, about sustainability-related events and developments. For this, the Deka Group uses the whole spectrum of available communication channels. This ranges from the staff magazine through press conferences and social media to sales and customer events. In the social media channels Twitter, Facebook and LinkedIn maintained by the Corporate Communications Department, the Deka Group also enters into dialogue with various stakeholder groups, for example customers and non-governmental organisations (NGOs). There also is an extensive offer on the Deka Group's newly designed website www.deka.de/deka-group, which provides up-to-date information around the sustainability-related activities of the Deka Group. The division of Board Staff and Communication is in a continuous exchange with the specialist units in order to identify sustainability-relevant topics and to spread them medially in the suitable communication channels.

A central component of the sustainability communication is the sustainability report. Since the 2017 fiscal year, the Deka Group, like numerous capital market-oriented companies, insurance companies and credit institutions, is obligated by the "Act to Strengthen the Non-financial Reporting by Corporations in their Management and Group Management Reports (CSR Guideline Implementation Act/CSR-RUG)" adopted in the spring of 2017 to prepare a so-called non-financial report. For more details about this, please refer to **chapter "About the report"**.

When preparing the sustainability report, the Deka Group uses the recognised guidelines of the Global Reporting Initiative (GRI). Since 2013, the Deka Group also prepares a statement of compliance within the scope of the German Sustainability Code (DNK), which is published on the website of the German Council for Sustainable Development (RNE) www.deutscher-nachhaltigkeitskodex.de/en-gb/Home/Database.

BACKGROUND

Developments in the EU Action Plan on Financing Sustainable Growth

In the year under review, the EU Commission has further boosted the implementation of a total of ten individual measures from its Action Plan on Financing Sustainable Growth. The EU taxonomy, i.e. the definition of sustainable economic activities, is particularly important as it is the basis for a number of other measures.

Final report on the EU taxonomy submitted

In March of the year under review, the Technical Expert Group (TEG) commissioned by the EU Commission submitted its final report for a binding classification of sustainable economic activities. The criterion of sustainability is closely linked to the achievement of six environmental objectives:

1 – CLIMATE CHANGE MITIGATION

Fighting the causes of climate change, in particular by reducing emissions of greenhouse gases such as CO₂

2 – CLIMATE CHANGE ADAPTATION

Fighting the effects of climate change, such as rising sea levels

3 – SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES

Sustainable use and protection of water and marine resources, e.g. by reducing water consumption in production processes and products

4 – TRANSITION TO A CIRCULAR ECONOMY, WASTE PREVENTION AND RECYCLING

Transition to a circular economy as well as waste prevention and recycling of reusable materials

5 – POLLUTION PREVENTION AND CONTROL

Prevention of pollution, particularly by reducing air pollutants such as sulphur dioxide, environmentally harmful waste water as well as soil contamination

6 – PROTECTION AND RESTORATION OF BIODIVERSITY AND HEALTHY ECOSYSTEMS

Protection and restoration of biodiversity, especially of animals and plants threatened with extinction, as well as of ecosystems, e.g. rain forests and moors

An economic activity is considered sustainable within the meaning of the EU taxonomy if it meets the following four conditions:

- The activity makes a substantial contribution to at least one of the six environmental goals.
- At the same time, the activity does not harm any of the other environmental goals (“Do No Significant Harm – DNSH”).
- The activity is in compliance with internationally recognised minimum requirements in the fields of labour standards and human rights, as set out mainly in the core labour standards of the International Labor Organization (ILO).
- The activity meets the technical requirements (Technical Screening Criteria) defined in the annex to the final report of the Technical Expert Group (TEG) commissioned by the EU Commission with the preparation of the taxonomy, the Technical Annex, for a variety of sectors. These include, among other things, agriculture and forestry, energy supply, transport, information and communication technology as well as the real estate industry.

The taxonomy distinguishes three types of economic activities. In addition to “green” activities, for example emission-free energy production, which directly contribute to the fulfilment of EU environmental goals, the two categories of enabling and transition activities were introduced upon intensive discussions. The enabling activities offer support for the achievement of the environmental goals. These include, for example, IT services, the optimal control of plants for the generation of renewable energies or even the construction of a wind turbine. Transition activities are those, which are not in compliance with a climate-neutral economy, but can make a significant contribution to the two climate goals for a transitional period and for which there is currently no technically and/or economically representable lower-carbon alternative. The high number of goals, conditions and types of economic activities overall results in a high level of complexity when taking into account the requirements in real and financial economy.

Taxonomy-conformity of companies

These requirements include extended information and transparency obligations, which were already defined under consideration of the EU taxonomy. Accordingly, for example, all companies that are obligated for non-financial (Group) reporting as per the CSR guideline (CSR-RUG) must in future state as to how and to what extent their activities are connected with “green” economic activities to be classified as ecologically

sustainable. For the real economy, this means that the own product and service offer must be systematically aligned with the requirements of the EU taxonomy and, in particular, also with the detailed technical requirements.

Within the framework of a study commissioned by the Federal Ministry for the Environment, the research institute adelphi research and the ESG rating agency ISS ESG have analysed in the year under review as to which revenue share taxonomy-compliant products have in selected European public limited companies.² Thereby, companies listed in the German Dax 30, the French CAC 40 and the European EURO STOXX 50 share index were analysed. The results for German companies show that 27 percent of the revenue are attained with products and services that fall under the regulations of the taxonomy. But only one percent of the revenue meets the requirements formulated therein. These figures are also of great interest for the finance sector. Within the scope of the CSR-RUG-based reporting obligation, it is facing the great challenge of systematically recording the activities associated with capital investments and financing and categorising them accordingly.

Enhanced transparency requirements for companies and financial products

However, these are not the only new transparency requirements, which are established within the framework of the EU Action Plan for the finance sector and which the taxonomy refers to. Within the framework of the Sustainable Finance Disclosure Regulation (SFDR), first provisions of the new disclosure regulation will already enter into force in mid-March 2021, through which the finance market participants will be obligated to provide ESG-related information to the investors via specified media, e.g. website. The regulation makes a distinction between company- and product-related disclosure obligations and, for specific products, creates a link with the above-mentioned taxonomy. At the company level, banks and asset managers should report, for example, as to which strategy they are following to integrate sustainability risks into their investment processes and to what extent these are included in the remuneration policy. At the level of the individual investment products, e.g. funds, three categories are defined: products without a specific sustainability reference, financial products with ecological or social features as well as financial products with a striven sustainability impact. For the two sustainability- or impact-related products, special transparency obligations apply with respect to the designing of their sustainability quality. The impact-related products also include the two new investment funds Deka-Nachhaltigkeit Impact Aktien (Deka-Sustainability Impact Shares) and Deka-Nachhaltigkeit Impact Renten (Deka-Sustainability Impact Pension). If a product follows an ecological sustainability aspect, it should probably be reported from 2022 onwards as to what extent the specifications of the EU taxonomy are taken into account.

EU-Green Bond Standard takes shape

A third example of the application of the EU taxonomy is the EU-Green Bond Standard (EU-GBS). Since, according to the assessment of the EU Commission, Green Bonds can make an important contribution to the financing of investments that are necessary for the compliance with the Paris climate goals, it is planning to introduce a uniform and binding standard for the designing of such earmarked bonds in 2021. The central element of the new standard is the linking of the project to be financed or re-financed through the Green Bond with the corresponding requirements of the EU taxonomy. In September of the year under review, DekaBank has established a voluntary internal guideline for the issuance of Green Bonds, the so-called “Green Bond Framework”, and thus laid the foundation for the possible issuance of own Green Bonds.

Interim conclusion

In the year under review, the EU Commission has continued to work consistently on the implementation of its Action Plan. With the publication of the taxonomy for the first two of the six goals, the foundation was laid for the implementation of a number of other measures. The first results of this work, for example, the new disclosure regulation, should now be implemented directly by the market actors – this is accompanied by a first practical test of the provisions. It is not excluded that this test makes modifications in the defined specifications desirable, if not rather necessary. It is to be hoped that the legislator would address a possible adaptation of the provisions with the same enthusiasm as that for the implementation of the Action Plan so far.

E — ENVIRONMENTAL

3. Sustainable banking operations

With the Commitment by German Savings banks to climate-friendly and sustainable business practices (Selbstverpflichtung deutscher Sparkassen für klimafreundliches und nachhaltiges Wirtschaften), the members of the Sparkassen-Finanzgruppe have sent a strong signal for climate protection. DekaBank is one of the first signatories of the commitment and thus provides a new framework for the climate protection measures that are already being implemented for many years. DekaBank has immediately implemented one of the obligations from the commitment: the business operations become climate-neutral for the first time in 2020. The projects selected for this purpose not only meet strict quality standards, but also contribute to the achievement of the 17 Sustainable Development Goals of the UN.

3.1 Environmental and climate protection in the business operations

3.1.1 Environmental management system

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

The annual environmental balance sheet prepared within the framework of this system includes all buildings of DekaBank at the Frankfurt location (Trianon, Prisma, Skyper and Hamburger Allee). The key figures for the paper consumption relate to all locations in Germany; the information on business trips is group-wide. The primary objective of the measures in the field of environmental management is an annual reduction of greenhouse gas emissions by five percent as well as a successive expansion of the recording at all locations of the Deka Group. The functional capability of the environmental management system and the proper implementation of the associated requirements are verified annually within the scope of an audit by the audit company AGIMUS GmbH.

3.1.2 Procurement

The strategic purchasing department of DekaBank procured goods and services in the value of a total of approx. Euro 301 million gross in the year under review (2019: Euro 295 million)³. About 85 percent of the strategic purchasing order volume was placed in Germany, the rest to European suppliers.

For the selection of suppliers, DekaBank has defined 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 biggest suppliers must sign prior to the start of the business relationship. It obligates the supplier, among other things, to comply with core labour standards of the International Labour Organisation (ILO). Two years after the last update, the sustainability declaration is currently being reviewed for any necessary adjustments of the provisions and standards references. By the end of 2020, approx. 330 suppliers had signed the declaration. That is about 85 percent of the sourcing volume in strategic purchasing. The remaining 15 percent are smaller consulting and software companies.⁴

All new suppliers are obligated 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 under review, a total of 20 new suppliers from the fields of consultation, personnel, and IT were examined on the basis of environmental criteria.

In the year under review, a project was initiated for an even stronger anchoring of sustainability criteria during the procurement of products. The objective is to systematically consider corresponding criteria when selecting the products, which will be included in the product catalogue relevant for orders. Within the framework of the project, comprehensive additional sustainability standards could be established in the three product groups of production, advertising material and events. Thus, the printing houses commissioned

³ Strategic purchasing includes the product groups of consultancy/office/business equipment, business-IT-infrastructure, services and personnel.

⁴ In 2020, DekaBank ordered products and services from around 1,400 suppliers. These included numerous small and one-time orders. The number of suppliers with a significant turnover (> EUR 1 million) is approximately 80.

with the printing of printed material have FSC or PEFC certification or have established a certified environmental management system. Wherever technically possible, FSC- or PEFC-certified offset printing papers are used.

In future, a major part of the advertising material will be procured from a supplier, whose sustainability management has been examined by the auditor Ecovadis. It must also obligate itself to consider the principles of the UN Global Compact and to annually report about their compliance. When selecting hotels for the execution of events, DekaBank makes sure that these are distinguished with at least one recognised environmental and sustainability seal, for example the Biosphere Responsible Tourism certificate, or have a certified environmental management system, e.g. according to EMAS or ISO 14001.

In 2021, the core range of office materials will be changed to exclusively ecological products. These products are characterised by the fact that they are either certified with a recognised seal (FSC, Blauer Engel, EU-Ecolabel, PEFC) or were made 100 percent from waste paper or produced in a solvent-free manner. The range also includes items made from recycled plastic or with housings made from natural, renewable and compostable cellulose.

3.1.3 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 CO₂, emissions. On the basis of the results of the energy audits conducted in 2015 and 2019 according to DIN 16247, the Real Estate Management of the Deka Group was able to execute numerous measures for the reduction of energy consumption. In the year under review, for instance, the room temperature in the IT utility rooms could be increased by two to four degrees and thus, energy could be saved in the field of room cooling. Sensors were installed to monitor the compliance with the target temperature of 23° to 25°C. With this measure, DekaBank also implements a requirement of the banking supervision, which prescribes continuous measurement of the power consumption in the relevant IT rooms for the banks.

In the year under review, the energy consumption has reduced by around 7.4 percent as compared to the previous year. The main reason for this was the high proportion of employees working from home office. The largest decrease could be determined in the power consumption, although the consumption of district heating has increased. This is attributed to the higher proportion of fresh air in the ventilation system due to the pandemic as well as the lack of waste heat from computers and the presence of employees.

Traffic

Business travel, in addition to the energy consumption, represents the most significant direct environmental impact of non-producing companies such as banks and is an important starting point for further reduction of climate-relevant emissions. Sustainability aspects are therefore systematically taken into account in all decisions concerning the structure of mobility within the framework of the rush-hour traffic and commercial traffic.

DekaBank distinguished as Environmental Champion



DekaBank has been distinguished by F.A.Z.-Institut as an Environmental Champion in the category of “Investment companies”. The environmental action of major German companies is evaluated within the scope of the “Environmental Champions” study,

which is prepared by F.A.Z.-Institut in cooperation with IMWF Institut für Management- und Wirtschaftsforschung. The evaluation was conducted on the basis of two analyses: within the scope of social listening, social media channels were analysed for different keywords, mainly the terms innovation, environmental sustainability and social sustainability, as well as the linking to individual companies.

In the period from April 2019 to March 2020, around 4.5 million entries could be assigned to the 589 companies assessed within the framework of the study. On the other hand, the sustainability reports of the companies were analysed in view of various aspects, e.g. the structure of the report and the reporting on ecological responsibility.

The “Environmental Champions” award is given on the basis of the total score, whereby the respective sector winner gets 100 points and thus, like DekaBank in the category of “Investment companies”, sets the benchmark for all other companies examined within the sector.

In the year under review, business travel too was strongly affected by the restrictions associated with the Corona pandemic. The kilometres travelled by air reduced by a total of 79.3 percent as compared to the previous year, whereby long-haul flights reduced by 79.4 percent and short-haul flights by 77.2 percent. In the year under review, DekaBank employees travelled for work significantly lesser even with the train (–55.2 percent) and with the car (–6.6 percent).

The average CO₂ emissions of the entire fleet of the Deka Group currently reaches a value of 113 g/km (previous year: 119 g/km). The implementation of the currently valid

company car regulation, which stipulates reduction in the size of the vehicle classes, has also contributed to this.

The advantage in the taxation of electric and hybrid vehicles that is applicable since 2019 resulted in an increased interest in these vehicles. Since the positive climatic effect of these vehicles strongly depends on the scope of the usage behaviour, the DekaBank Fleet Management has defined clear guidelines for the approval. Thus, the maximum annual mileage may not exceed 40,000 kilometres and the users must keep monthly records of the specific use and the fuel consumption of gasoline-hybrids. Besides the E-Smarts at the regional locations of Deka Immobilien Investment GmbH, the Deka Group has a fleet of 48 plug-in hybrids and five pure electric vehicles as on 31.12.2020; at the end of the year under review, there were orders for 37 more plug-in hybrids and fully electric vehicles.

In order to support the use of these vehicles, the offer of charging stations at the locations in Frankfurt as well as the regional offices will be expanded further. For the new location in Frankfurt-Niederrad, 21 charging stations are planned; 40 more charging stations are technically prepared and can be connected to the grid at any time. Users of E-vehicles, who charge the vehicles at their places of residence, currently receive a lump-sum of Euro 25. DekaBank is presently negotiating with various providers to make a framework contract with them for the installation of wall boxes at the places of residence; these will be subsidised by DekaBank. To make the offer even more attractive, DekaBank is also checking the inclusion of more manufacturers in the company car regulation, in order to be able to offer the employees a more extensive range of models.

The offer for bike leasing introduced in 2019 is accepted very well by the employees. Within the scope of this model, all permanent employees of the Deka Group will have the option to lease two bicycles each worth of up to Euro 5,000 gross over 36 months within the framework of a deferred compensation, similar to company car leasing. A high interest in the offer was seen even in the Corona pandemic and employees leased 694 bikes by the end of the year under review (2019: 327).

Since 01.04.2019, the Premium-JobTicket of DekaBank is valid in the entire RMV federation area all year round for transport in bus, train, regional trains, trams and undergrounds and for any number of trips in the 2nd class. For business trips from Frankfurt to the location in Luxembourg, a tool was provided in the form of "Fahrgemeinschaftenkalender" (carpooling calendar) to support the formation of carpools.

Greenhouse gas emissions

The central goal of DekaBank in the area of environmental management is to reduce its own emissions by at least five percent annually. This value is higher than the linear reduction in absolute greenhouse gas emissions considered by the Science Based Targets Initiative (SBTi) as being necessary to limit the global warming to under 1.5°C by an average of at least 4.2 percent per year.

The objective of reducing greenhouse gas emissions by five percent each year was exceeded considerably in 2020. The absolute emissions reduced from 9,387 tonnes of CO₂ in 2019 to 6,410 tonnes of CO₂ in 2020 and thus, by 31.7⁵ percent. A decisive factor for this was particularly the drop in business travel mileage (scope 3) by 43.3 percent due to the Corona pandemic.

DekaBank supports the mitigation of climate change

In the past few years, DekaBank could considerably reduce its ecological footprint. For the first time for the 2020 fiscal year, the Deka Group will completely compensate for the unavoidable greenhouse gas emissions resulting from the business activity through the purchase and closure of reduction certificates from high-quality climate protection projects. The selected projects from the fields of renewable energy generation and energy efficiency not only meet strict quality standards, but must also contribute to the achievement of the 17 Sustainable Development Goals of the UN. This implies that the projects are realised primarily in developing and emerging countries. The savings in the greenhouse gas emissions achieved within the scope of the projects will be annually checked by an independent body.

3.1.4 Consumption of resources and waste

In the year under review, the amount of waste generated at the four locations (Trianon, Prisma, Skyper and Hamburger Allee) has dropped by around 56.9 percent. Here too, the reason is the high home office proportion of around 80 percent.

All companies assigned with the disposal of waste have a specialist waste disposal certificate in accordance with the Recycling Law. DekaBank performs regular audits at the companies to ensure safe and environmentally-friendly disposal of waste.

⁵ According to the GHG Protocol, five other climate-relevant gases are recorded besides CO₂: methane, nitrous oxide, sulphur hexafluoride and two groups of fluorocarbons (CO_{2e}).

In the year under review, the paper consumption was 674 tonnes and thus 23 percent lower than that in the previous year (875 tonnes). The reason for the decline is the relocation of the work into the home office. The pilot project for the introduction and exclusive use of recycled paper in the bunk copiers and stand-alone printers conducted in the previous year was successfully completed. Through the introduction of digital travel expense calculation in the year under review, not only the machining process could be significantly simplified, but more than 50,000 sheets of paper were also saved.

The so-called packaging law came into force on 01.01.2019. It stipulates that initial circulators of goods with filled sales packaging, provided to private end consumers, must first be registered with the "central authority for packaging register". Since the data are publicly available, this creates more transparency about the manufacturers, dealers and/or distributors of packaging that are fulfilling their product responsibility. For the implementation of the law, DekaBank records the corresponding data in its environment database "SoFi" and sends this to the central register.

3.2 Cornerstones of the climate reporting

The "commitment to climate-friendly and sustainable business practices" signed by the Deka Group mainly contains the obligation to align the financing and proprietary investments with the climate goals defined in the Paris Climate Agreement and, for this purpose, to develop methods to assess the environmental impacts of the investment and credit portfolios. The commitment therefore also picks up on the requirements defined by BaFin and ECB within the scope of their corresponding publications on the handling of climate risks.

Cf. BACKGROUND: "ESG aspects of the banking regulation"

In 2017, the Deka Group has already conducted a pilot project together with Prof. Dr. Timo Busch from the University of Hamburg to record the CO₂ emissions along the entire value chain. At this time, it was not possible to create a CO₂ evidence for the overall operation of the Deka Group due to the lack of a data basis. In the meantime, the data basis, particularly the publication of CO₂ emission data by the companies, has improved. The reason for this is, among other things, that a standard is available for climate reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which is used by an increasing number of companies. Thus, in principle, even the possibilities improved for the Deka Group to systematically measure the CO₂ emissions connected with its investment products and financing.

On this basis, DekaBank has again conducted an analysis of the CO₂ emissions connected with the investment products and financing in the year under review. In comparison with the pilot study, it was evident that the data basis for the investment products and, here, especially for the mutual funds and self-managed ETFs as well as for the real estate fund products has improved substantially.

For the securities investments, the data basis is so reliable in the meantime – also through the provision of corresponding data by the sustainability rating agencies – that it is possible to establish a corresponding CO₂ or Carbon Footprint Reporting e.g. for the sustainable equity funds. For the real estate funds, the calculation of the CO₂ footprint is possible on the basis of own surveys of the energy consumptions of the real estate.

Cf. chapter 4.1.1.2.2

The situation is different in the financing sector. Here, uniform and reliable data on the CO₂ emissions by the borrowers are, like before, available only for a minority of companies. In the year under review, DekaBank started a project to develop a score card for ship financing, within the framework of which CO₂ emissions can be recorded systematically.

In order to further improve the data basis even in the financing sector, Deka Investment GmbH supports the goals and content-related work of the TCFD and thus the increased use of the recommendations in the real and financial economy representatively on behalf of the Deka Group. In addition, the Deka Group will gradually create the conditions to publish its own TCFD-compliant report. Besides the further improvement of the data situation, this also includes the systematic anchoring and further development of corresponding aspects in the governance structures, the business strategy and in the risk management.

ENVIRONMENTAL INDICATORS 2020* (TABLE 1)

GREENHOUSE GAS EMISSIONS

	Direct emissions (Scope 1) kg CO _{2e}	Indirect emissions (Scope 2) kg CO _{2e}	Other indirect emissions (Scope 3) kg CO _{2e}	Total
2017	1,844,898	5,017,844	3,898,611	10,761,353
2018	1,770,629	5,032,804	3,641,129	10,444,562
2019	1,760,145	4,412,596	3,213,905	9,386,646
2020	1,263,411	3,325,254	1,821,813	6,410,478

ENERGY CONSUMPTION BY ENERGY SOURCE

	Trianon ML16 in kWh	Prisma HS 55 in kWh	Skyper TA 1 in kWh	HA 14 in kWh
Electricity	4,964,723	3,617,197	1,206,561	70,985
Gas	–	–	–	82,192
Diesel for emergency electricity	11,161	9,094	615	–
District heating	5,050,523	2,652,940	1,620,313	–
Total	10,026,407	6,279,231	2,827,489	153,177

DEVELOPMENT OF TOTAL ENERGY CONSUMPTION

	2017 in kWh	Tolerance to 2016	2018 in kWh	Tolerance to 2017	2019 in kWh	Tolerance to 2018	2020 in kWh	Tolerance to 2019
Trianon ML16	10,207,927	–11.4 %	10,767,325	5.5 %	11,680,122	8.5 %	10,026,407	–14.2 %
Prisma HS 55	6,957,119	–1.0 %	6,983,756	0.4 %	6,269,473	–10.2 %	6,279,231	0.2 %
Skyper TA 1	2,770,901	13.8 %	2,779,169	0.3 %	2,799,364	0.7 %	2,827,489	1.7 %
HA 14	–	–	–	–	67,431	–	153,177	127.2 %
Total	19,935,947	–5.0 %	20,530,250	2.9 %	20,816,390	1.3 %	19,286,304	–7.4 %

DEVELOPMENT OF ABSOLUTE BUSINESS TRAVEL AS PER MODE OF TRANSPORT

	2017 in km	Tolerance to 2016	2018 in km	Tolerance to 2017	2019 in km	Tolerance to 2018	2020 in km	Tolerance to 2019
Rail transport	3,427,671	9.4 %	3,566,719	4.1 %	4,968,532	39.3 %	2,223,589	–55.2 %
Road transport	9,987,789	1.6 %	9,589,777	–4.0 %	9,535,611	–0.6 %	8,908,530	–6.6 %
Air transport	10,106,491	11.9 %	9,959,363	–1.5 %	9,461,517	–5.0 %	1,957,931	–79.3 %
Total	23,521,951	7.0 %	23,115,859	–1.7 %	23,965,660	3.7 %	13,090,050	–45.4 %

DEVELOPMENT OF ABSOLUTE DRINKING WATER CONSUMPTION

	2017 in m³	Tolerance to 2016	2018 in m³	Tolerance to 2017	2019 in m³	Tolerance to 2018	2020 in m³	Tolerance to 2019
Trianon ML16	19,238	2.9 %	24,712	28.5 %	20,552	–16.8 %	13,202	–35.8 %
Prisma HS 55	17,263	24.6 %	20,742	20.2 %	19,383	–6.6 %	12,603	–35.0 %
Skyper TA 1	2,627	8.9 %	2,565	–2.4 %	2,477	–3.4 %	1,321	–46.7 %
HA 14	–	–	–	–	343	–	163	–52.5 %
Total	39,128	11.9 %	48,019	22.7 %	42,755	–11.0 %	27,289	–36.2 %

DEVELOPMENT OF ABSOLUTE WASTE PRODUCTION

	2017 in t	Tolerance to 2016	2018 in t	Tolerance to 2017	2019 in t	Tolerance to 2018	2020 in t	Tolerance to 2019
Trianon ML16	105.8	–31.4 %	100.5	–5.0 %	105.5	5.0 %	53.7	–49.1 %
Prisma HS 55	93.6	–10.1 %	92.3	–1.4 %	107.1	16.0 %	39.5	–63.1 %
Skyper TA 1	41.0	–6.0 %	42.2	3.0 %	46.5	10.1 %	18.8	–59.6 %
HA 14	–	–	–	–	1.9	–	0.4	–78.9 %
Total	240.4	–20.4 %	235.0	–2.2 %	261.0	11.1 %	112.4	–56.9 %

* Data basis on energy/resource consumption and emissions:

- The figures relate to the four buildings used by the Deka Group in Frankfurt am Main (Trianon, Prisma, Skyper and Hamburger Allee (HA 14)) as well as the Luxembourg location and since 2019 Berlin und Leipzig for emissions. All other sites are not yet included in the recording of consumption values for energy, water and waste.
- Since 2019, the data for the bevestor at Hamburger Allee 14 in Frankfurt have also been recorded, since 2020 incl. pro rata addition of general electricity and general gas. The consumption figures were not yet available in full as of the reporting date, so that the figures from 2019 were used.
- The electricity consumption of employees in the home office was additionally taken into account to calculate Scope 3 data by using the average home office ratio.

The calculation is based on the factor determined by VfU.

- In addition, the following exceptions are applicable with respect to the data basis: information on business trips is company-wide for the Deka Group without S Broker. Here, the Luxembourg location is also included in addition to the locations in Germany. By 2015, 25 percent of the power consumption in Frankfurt and 100 percent of the power consumption in Luxembourg was covered with green electricity. From 2016 onwards, this share in Frankfurt was increased to 75 percent and since 2019 to 100 percent. This green power was included in the calculation according to the origin of the factors: In Frankfurt with the factor for hydropower and in Luxembourg with the factors for wind- and hydropower (50 percent each). For electricity consumption, the emission factor was obtained from the supplier.

BACKGROUND

Flexible, digital and climate-friendly – the new locations of DekaBank

As part of a comprehensive future concept for its locations in Frankfurt and also as a commitment to the Main metropolis, DekaBank has decided to bundle its offices in Frankfurt at two places in future. The new building in Frankfurt-Niederrad **1** should already be occupied at the end of 2021; up to 3,500 employees will work here. Then in 2024, DekaBank will leave the Frankfurt high-rise Trianon after more than 20 years and will shift into the newly emerging high-rise Four-T1 **2**, where DekaBank has rented more than 16,000 square metres of office space on ten floors.

Multi-Space concept opens up new job opportunities

Both properties offer the option of harmonising on-site presence and mobile working. The trend towards hybrid working models that was again accelerated due to the Corona pandemic has already been taken into account when planning the office spaces, so that only selective adjustments to the concept were necessary on the basis of the experience gained during the pandemic.

At the Frankfurt-Niederrad location that is already under construction, the so-called Multi-Space concept stipulates that the employees can flexibly look for a workplace, which offers the best conditions for them and their current task. Thus, there are retreat options for concentrated work as well as hybrid spaces, where employees can collaborate in groups.

The sharing concept is designed in such a way that for anyone, who wants to come to office, there is a place to work every day. High hygiene standards are thereby met. For example, every employee gets his/her own laptop, keyboard, mouse as well as headset. Thanks to the new design of the office space, the available area can be used more efficiently, thus resulting in significant cost advantages in comparison with the current locations.

Extensive involvement of the employees

The employees are involved in the designing of the building in Frankfurt-Niederrad as well as in the interior design through different bodies – an advisory board made up of executives, user representatives and employee representatives. The user



New location Frankfurt-Niederrad **1**

representatives, around 40 employees from various areas of the bank, cooperate mainly in the development of the utilisation planning as well as the structuring of the design lines for the interior design concept. The employee representation with staff council, works councils, representation of severely disabled persons and Equal Opportunities Officer brings in its expertise mainly on the topics of data protection and work safety.

High environmental standards realised

In both buildings, higher environmental and energy standards can be implemented as compared to those in Trianon, which was completed in 1993. At the Frankfurt-Niederrad location, numerous measures will be implemented, through which the energy consumption in the use of the building as well as the emissions caused by the rush-hour traffic can be reduced significantly. For example, the building has over 440 car parking spaces, of which 21 parking spaces are equipped with E-charging stations; 40 more have already been prepared and can be activated when required. There also are 500 covered bicycle parking spaces and a separate charging cabinet with 120 charging options for E-bike batteries. The power for these charging options as well as for the overall building comes 100 percent from renewable energies. A portion of the electricity requirement will be covered by a photovoltaic system on the roof of the office building. A major part of the heat is provided from combined heat and power generation; water-saving fittings and toilets are planned in order to reduce the water consumption.

Forward-looking and thus energy-saving control of building technology is ensured by the cooperation with the PropTech provider MeteoViva, with which the business area of Real Estate Asset Management already cooperates since 2019 for energetic optimisation of its fund properties. Overall, the CO₂ emissions at the Frankfurt locations should reduce by up to 70 percent as compared to the status quo. These and other measures lead to the fact that the new location in Frankfurt-Niederrad will meet the stringent requirements of the Gold certification of the German Sustainable Building Council (DGNB).

T1
16,000 m² office space
on 10 floors for DekaBank

2 High-rise Four-T1



S — SOCIAL

4. Customers, employees and society

4.1 Customers – Sustainable products

One of the main objectives of the EU Action Plan on Financing Sustainable Growth, the redirection of the capital of private and institutional investors into sustainable capital investments, can only be achieved if attractive investment products with high sustainability standards are offered to these investors. This is particularly applicable for private investors, who, in future, must be actively asked about their preferences in view of the sustainable capital investment in the consultation. Also against this background, the Deka Group has once again significantly expanded its offer of sustainable investment options in the year under review and thus makes a considerable contribution to the fact that the advisers in the savings banks can offer a large selection of funds, ETFs and other investments to their customers. Since 2020, an exclusion for companies that are definitively active in the field of coal production and power generation from coal is applicable not only for the sustainability funds, but also for all actively managed mutual funds and own investments.

4.1.1 Sustainability in capital investments

In the area of capital investment, a distinction is made between proprietary investments – capital investments for the own account – and capital investments that are managed on behalf of the customer – capital investments for the account of a third party. While DekaBank considers its own requirements in case of the proprietary investments, the specific requirements of the individual customer groups and customers must be taken into account during fiduciary capital management for the account of a third party. These also include more and more sustainability-related requirements.

4.1.1.1 Capital investments for own account

Since July 2014, DekaBank uses a sustainability filter for new proprietary investments. This includes a catalogue of exclusion criteria for the topics of the environment, human and labour rights as well as corruption based on the UN Global Compact. A possible involvement of companies in the defence sector – and since May of the year under review, even in the coal sector – is also considered (cf. **BACKGROUND: “Deka Group limits investments in coal mining companies”**). In the defence sector, manufacturers of controversial weapons are excluded from the investment.

Securities issuers violating one or several of these exclusion criteria are excluded from the new investment. As on 31.12.2020, 100 percent of the proprietary investments in securities with a nominal volume of around Euro 9.9 billion (2019: Euro 14 billion)⁶ as well as Euro 0.8 billion in special

funds (cf. chapter 4.1.1.2.1.1 “Sustainable investment volume”) were managed using the criteria of the proprietary investment filter.

Deka Treasury Compass

With the Deka Treasury Compass, DekaBank also offers the savings banks the option of carrying out a detailed sustainability check for their proprietary investments, which is also based on the criteria of the UN Global Compact. In 2020, about 190 savings banks have conducted a sustainability analysis for their direct stocks based on the Deka Treasury Compass. As a result, around 99 percent of the investment volume of the savings banks met the sustainability criteria.

Deka Research Hub

Even with the Deka Research Hub, DekaBank supports the savings banks in considering sustainability criteria during their capital investment. The Research Hub offers comprehensive analyses to issuers of mortgage bonds and other securities. One of the total four analysis modules provides information about the sustainability performance and ratings of the issuers. In cooperation with imug rating, information about possible violations of the principles of the UN Global Compact by the issuers as well as about the overall quality of the Sustainability Management is provided among other things.

⁶ Without S Broker AG & Co. KG.

OVERVIEW OF SUSTAINABLE INVESTMENT PRODUCTS (FIGURE 4)

Outlined in red: products newly issued in 2020 or adapted to sustainability

Pension funds	Mixed funds	Equity funds	Asset management / umbrella funds	ETFs (Exchange Traded Funds)	Certificates
Deka-Nachhaltigkeit Renten	Deka-Nachhaltigkeit Balance	Deka-Nachhaltigkeit Aktien	Deka-Nachhaltigkeit ManagerSelect	Deka Oekom Euro Nachhaltigkeit UCITS ETF	DekaBank-Zinsanleihen
Deka-Nachhaltigkeit Impact Renten	Deka-Kirchen Balance	Deka-Nachhaltigkeit Impact Aktien	Deka-Vermögensverwaltung Premium	ETF-Produktfamilie MSCI Climate Change ESG	MSCI World Climate Change ESG Select Index
	Deka-Stiftungen Balance	Deka Portfolio Nachhaltigkeit Globale Aktien	Deka-BasisAnlage	• Deutschland	Nachhaltige Unternehmen als Basiswert
	Deka-Nachhaltigkeit Kommunal	Deka UmweltInvest	Digital	• Eurozone	Green Bonds für private Kunden
	Deka-Nachhaltigkeit Multi Asset	Deka-Nachhaltigkeit DividendenStrategie	Bevestor Select Nachhaltigkeit	• Europa	
	Deka-Nachhaltigkeit EinkommensStrategie	Deka-Nachhaltigkeit Global Champions		• USA	
	Deka-Nachhaltigkeit StrategiInvest			• Global	
	Deka-ESG Sigma Plus Fonds			• Euro Corporates	

Deka Group limits investments in coal mining companies

In the year under review, DekaBank has decided to no longer directly invest in companies that generate more than 30 percent of their turnover through coal production or more than 40 percent of their turnover from the power generation from coal. The exclusion applies for DekaBank and all subsidiaries, among others Deka Investment GmbH, and concerns proprietary investments of the bank as well as investment products such as certificates and the actively managed mutual funds. Stricter limits apply for the Deka sustainability funds. Here, companies producing coal are completely excluded from the investment universe. For companies that use coal for power generation, the turnover threshold is 10 percent.

In addition to these regulations, Deka Investment GmbH consistently relies on a constructive and critical dialogue with companies and actively duns them for an improvement in the field of sustainability. Here, a transformation announced by the companies is also tracked systematically. If Deka Investment GmbH finds out that companies are demonstrably striking a path of transformation away from coal production or power generation from coal, it can accompany them further as an investor upon careful individual examination and deviate from the exclusion criteria.

4.1.1.2 Capital investments for the account of a third party

4.1.1.2.1 Capital market-based investment products

4.1.1.2.1.1 Funds and other capital market-based investment solutions

Deka Investment GmbH has already expanded the classic triangle of capital investment – returns, risk and liquidity – by sustainability aspects a few years back and defined sustainability standards for funds managed by it regardless of a sustainability-related orientation. Thus, the funds managed by Deka Investment GmbH do not invest in companies that manufacture controversial weapons such as anti-personnel mines or cluster munition (“cluster bombs”). The mutual funds managed by Deka Investment GmbH also exclude manufacturers of small arms as well as companies that are definitively active in the coal sector from the investment. In addition, the Deka Group does not issue products that directly show the price development of staple food.

Deka sustainability funds

The Deka Group offers investors a wide range of sustainability-related funds, Exchange Traded Funds (ETFs) and certificates (cf. FIGURE 4), which was again expanded considerably in the year under review. The newly issued funds include Deka-Nachhaltigkeit Impact Aktien (Deka-Sustainability Impact Shares) and Deka-Nachhaltigkeit Impact Renten (Deka-Sustainability Impact Pension). Both funds invest globally in issuers, whose products, services or strategies contribute to the achievement of the sustainability goals of the United Nations, the UN Sustainable Development Goals (SDGs).

Sustainable Award in Finance for the Deka-Nachhaltigkeit Impact Aktien fund

In the Sustainable Award in Finance given for the first time, the Deka-Nachhaltigkeit Impact Aktien (Deka-Sustainability Impact Shares) fund received an award for its environmental and social effects. The jury appreciated the fund's contribution to the achievement of the UN Sustainable Development Goals (SDGs). The award is given by the Bankenmagazin and its sister publication Versicherungsmagazin as well as the analysis house Morgen & Morgen.

Association concept for the classification of sustainable products

With the reform of the Markets in Financial Instruments Directive (MiFID II), the question of sustainability preferences becomes a mandatory part of the investment advice. In order to ensure a uniform procedure within the German financial sector, the associations of the German credit industry, including DSGV, together with BVI German Investment Funds Association (Bundesverband Investment and Asset Management e. V.) and German Derivatives Association (Deutscher Derivate Verband – DDV), have developed an approach for uniform classification of investment products that are suitable for sustainable capital investment under the title of “association concept”, which will be the basis for the advice. The association concept is a complement to the existing target market concept of the German credit industry resulting from the provisions of the MiFID II. Within the framework of the concept, three levels for the consideration of ESG criteria will be defined for funds and certificates: products of the category “Basic”, “ESG” and “ESG-Impact”. In the classification of its products, the Deka Group uses the “association concept” and the general legal specifications for sustainable investments. Adjustments to the association concept are possible in the course of 2021 within the framework of the still ongoing legislative process at the European level.

In the year under review, the Deka-Nachhaltigkeit EinkommensStrategie (Deka-Sustainability Income Strategy) fund was also newly issued along with two sustainable variants of already successfully launched fund concepts: Deka-Nachhaltigkeit DividendenStrategie (Deka-Sustainability Dividend Strategy) and Deka-Nachhaltigkeit Global-Champions (Deka-Sustainability Global Champions). Deka-Nachhaltigkeit Multi Asset (Deka-Sustainability Multi Asset) was adapted to sustainability at the beginning of the year under review and expands the Deka-Nachhaltigkeit (Deka-Sustainability) product range by another sustainable mixed fund alternative. Deka Portfolio Nachhaltigkeit Globale

Aktien (Deka Portfolio Sustainability Global Shares) was already issued in 2019, which combines the sustainability approach of the Deka-Nachhaltigkeit product series with the established low-risk model of Deka-Globale Aktien Low Risk (Deka Global Shares Low Risk).

Finally, the “Deka-Nachhaltigkeit” fund family also includes the funds Deka-Nachhaltigkeit Aktien (Deka-Sustainability Shares), Deka-Nachhaltigkeit Renten (Deka-Sustainability Pension), Deka-Nachhaltigkeit Balance (Deka-Sustainability Balance) that were partly already introduced a few years ago and the umbrella fund Deka-Nachhaltigkeit Manager-Select (Deka-Sustainability ManagerSelect). Thus, the fund family offers investors a wide range of equity, pension or mixed funds portfolios, with which they can invest in investment solutions that correspond to the specific criteria of a sustainable investment. Even the two funds Deka-Stiftungen Balance (Deka Foundations Balance) and Deka-Kirchen Balance (Deka Churches Balance) aim at institutional investors.

Sustainable security investments are possible in the DekaBank securities account even from Euro 25 monthly. The Deka-Nachhaltigkeit Aktien fund is also suitable for the investment of capital-forming benefits. Since January 2017, customers can select the Deka-Nachhaltigkeit Aktien fund as equity component and the Deka-Nachhaltigkeit Renten fund as pension component in the Select version when concluding the Deka-ZukunftsPlan (Deka Future Plan), a Riester fund savings plan, and thus invest in the savings phase in sustainability-oriented funds.

Sustainable ETFs

At the end of 2015, Deka Investment GmbH already issued in cooperation with the sustainability rating agency ISS ESG (formerly: oekom research) the index fund Deka Oekom Euro Nachhaltigkeit UCITS ETF (Deka Oekom Euro Sustainability UCITS ETF) for institutional investors. In the year under review, Deka Investment GmbH expanded this offer in the field of ETFs by issuing the Deka MSCI Climate Change ESG UCITS ETF product family, which cover the most important investment regions with Germany, Euro-zone, Europe, USA and world. In these ETFs, a systematic analysis of the transition risks and opportunities of climate change is combined for the companies with selected exclusion criteria.

DekaBank certificates

Since 2019, DekaBank offers sustainable structured products and certificates for private customers and has expanded its offer significantly in 2020. For the classification of the sustainability of a specific certificate, two levels must be considered in principle: on the one hand, the issuer, i.e. DekaBank and on the other hand, the underlying base value, such as an index or an individual company. The consideration of the issuer is essential, since

certificates are bearer bonds of the issuer, which serve it for refinancing. With respect to the sustainability of the issuer, the sustainability rating agencies of DekaBank certify a very high level in comparison of the sector. Cf. chapter 5.7

The sustainable certificate offer of DekaBank also includes Green Bonds for private customers since October 2020 as base value besides classic fixed-interest and stepped-coupon bonds as well as certificates and credit-dependent bonds with sustainable companies. With the “Fixed-interest and stepped-coupon Green Bond”, investors can support the financing of projects, which have a concrete and measurable benefit for the climate and the environment (“ESG-Impact”).

Awarded – the investment certificates of DekaBank

In the Scope Certificate Awards 2021, DekaBank was again distinguished by the specialist jury as the best issuer in the category of “primary market”. Thus, DekaBank has already managed for the fifth time in the past six years to get the 1st place with its range of subscription products. In the justification for the award, the jury emphasises the overall image of high quality of the management, close linkage with the savings banks and the product offering, in which the focus this year is on the topic of sustainability among other things. The jury is also convinced by the continuous market growth of the past few years, through which DekaBank could further develop its market leadership in the German certificate market even in the crisis environment of 2020.

DekaBank has also expanded the offer of sustainability indices that serve as the base value for certificates. A global sustainability index was developed together with the index provider MSCI, which is currently available exclusively for the customers of DekaBank. This gives investors the option of having a positive influence on the climate change and, at the same time, establishing a climate-robust portfolio.

As on 31.12.2020, 41 percent of the certificates for private customers were classified as sustainable (3,524 of 8,579 certificates). Thereof, 13 certificates belong to the category of “ESG-Impact” of the classification of the association concept.

DekaBank publishes the Green Bond Framework

As a prerequisite for the issuance of Green Bonds, DekaBank has developed a Green Bond Framework. It is based on the current version of the Green Bond Principles of the International Capital Markets Association (ICMA) and defines, among other things, for which projects the funds borrowed through Green Bond should be used and how the process for project evaluation and selection will be designed. Here, the framework stipulates that the resources be used in the fields of “renewable energies” and “green building”. Within the scope of a “Second Party Opinion”, the sustainability rating agency Sustainalytics has formally confirmed the consistency of the framework with the requirements of the Green Bond Principles. The framework has been published on the Deka website.

In the year under review, the market for green and social bonds was influenced by the Corona pandemic. In the market for social bonds, so-called Covid-19 Crisis Bonds were increasingly issued for financing Corona measures, so that the relative share of social bonds increased significantly as compared to the green bonds in the year under review. With USD 232 billion, the absolute issuance volume of green, social or sustainable bonds reached a new record level in 2020.

In 2020, DekaBank again accompanied the placement of various bonds as consortium leader, mainly the first social bond of NRW.Bank, the first green bond of the Austrian Hypo NOE and the first Euro green bond of SBAB Bank as well as various transactions of the European Investment Bank (EIB) in the form of Climate Awareness Bonds and Sustainability Awareness Bonds.

Sustainable asset management and asset management funds

The offer in the segment of asset management includes different sustainable mandate solutions, which distinguish themselves by their risk profile. In the field of asset management funds, Deka Vermögensmanagement GmbH offers the investors, e.g. with the Deka-Basis-Anlage (Deka basic investment), a sustainable investment strategy that is available in five different risk profiles from conservative to offensive. In the year under review, sustainability criteria were systematically integrated into the fund selection process for the entire product family, in order to offer the customers an adequate sustainable solution in the field of asset management. The sustainable product range is rounded off by the Deka-Nachhaltigkeit ManagerSelect fund, which realises a balanced portfolio of 50 percent equity fund and 50 percent pension fund and currently selects sustainable fund managers in eight sub-asset classes that are qualitatively the best from the

point of view of Deka Vermögensmanagement GmbH. The realignment of this fund took place at the beginning of the year under review. An expansion of the sustainable product range is planned thanks to the positive customer response. At the beginning of 2021, an additional concept will be issued, which heavily leans on Deka-Nachhaltigkeit ManagerSelect, but has a more offensive positioning with a higher proportion of equities. The funds Deka-Basis-Anlage as well as Deka-Nachhaltigkeit ManagerSelect have signed the European transparency code for sustainability funds and have been distinguished with the transparency logo of the European industry association Eurosif.

In the field of individual asset management “Deka-Vermögensverwaltung Premium” (Deka Asset Management Premium), the demand for sustainably managed variants has increased further in the year under review. In approximately every second newly concluded mandate, the customers laid emphasis on a sustainable investment approach.

The offer of Deka Vermögensmanagement GmbH also includes different sustainable fund concepts, which are offered in individual savings banks, e.g. the Hamburger Nachhaltigkeitsfonds – Best in Progress (Hamburg sustainability fund – Best in Progress) of Hamburger Sparkasse or the Rheinische Kirchenfonds (Rhenish church fund) of Sparkasse KölnBonn.

bevestor – the Robo-Advisor solution of the Deka Group

With bevestor, the Robo-Advisor solution of the Deka Group, private customers also have a digital investment solution at their disposal in addition to the qualified and holistic securities advisory services in the branch. Within the framework of the “Select” investment concept, customers can invest under consideration of ecological, social and ethical aspects with the “Select Nachhaltigkeit” (Select Sustainability) variant. There are five globally diversified fund portfolios with different return/risk characteristics. There also is the option of individually adding up to three investment topics such as climate change, new energy or water to the selected portfolio.

The invested money is automatically invested according to a scientifically substantiated investment concept and managed by Deka Vermögensmanagement GmbH within the scope of professional Asset Management. Investors can already invest directly with an investment amount of Euro 25 monthly or Euro 1,000 one time.

Top scores for the Robo-Advisor

The work of the Robo-Advisor of the Deka Group regularly gets top scores in external analyses and reviews. In the year under review, bevestor emerged as test winner among the banks with a rating of n-tv in cooperation with Deutsches Institut für Service-Qualität (DISQ) with a quality rating of “very good”. In the justification, DISQ especially emphasises the services in the area of information and product entry, in which bevestor attains the best value within the banking sector. According to the assessment of the institute, the website can be navigated intuitively and is user-friendly; the costs of the investment plan are presented very understandably. According to the institute, mainly the quick operability as well as the detailed information on the investment proposal carry positive weight during the use. In the year under review, the business magazine Capital distinguished the “Select Nachhaltigkeit” variant as “Top Robo-Advisor for sustainable investment”.

S Broker

S Broker AG & Co. KG is the central online broker of Sparkassen-Finanzgruppe. The company offers its customers – private investors and savings banks – the opportunity to maintain an online portfolio and to trade securities. In order to make it easier for the customer to look for sustainable investment products, S Broker has set up a separate landing page with numerous available sustainability products from the funds and ETF area as well as selected sustainable subscription products. The sustainable investment products offered on the landing page as well as many other sustainable investment products can be purchased from S Broker in exchange trading or off-exchange trading. For various products, there also is the option of setting up a savings plan.

Individual solutions for institutional customers

Deka Investment GmbH offers individual investment solutions to institutional investors, in which the respective sustainability-related requirements, for example specific exclusion criteria, are taken into account comprehensively. When implementing these individual strategies, Deka Investment GmbH uses data from renowned sustainability rating agencies, at present mainly MSCI ESG and imug-V.E (formerly Vigeo Eiris), which provide information on the sustainability performance of individual issuers as well as on possible violations of the respectively defined exclusion criteria by these issuers.

Institutional investors are showing significantly growing interest in approaches for measuring the sustainability-related impact of capital investments. For this, Deka Investment GmbH offers, among other things, analyses for ESG-evaluation of a portfolio, for its Carbon Footprint

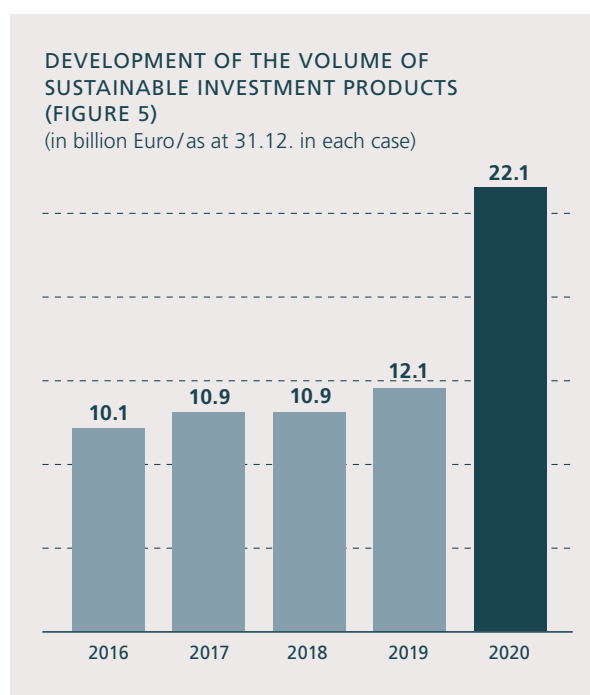
as well as for the influence of the invested companies on the achievement of the UN SDGs, based on the data from specialised data providers.

Sustainable investment volume

In the private customer area, Deka Investment GmbH managed a total of around Euro 7.4 billion in sustainable products as of the end of 2020 (2019: Euro 4.1 billion), 80 percent more than the same time last year. Here, Euro 6.8 billion managed sustainably within the framework of the Deka asset management must be taken into account additionally. For institutional customers, the volume of sustainable investments amounted to Euro 7.1 billion on 31.12.2020 (2019: Euro 6.1 billion).

Thus, the total volume of sustainable investment products at the Deka Group is Euro 21.3 billion (2019: Euro 10.2 billion). The share of sustainable investment funds in the total assets under management in the securities area was around 8 percent at the year end of 2020 (2019: 4.1 percent).⁷

If one adds the approximately Euro 0.8 billion of proprietary investments in special funds (including S Broker AG & Co. KG), which are managed using the criteria of the proprietary investment filter, that results in a total volume of sustainably managed investments of approximately Euro 22.1 billion (2019: Euro 12.1 billion). Cf. **FIGURE 5**



⁷ Without S Broker AG & Co. KG.

If one additionally considers the Euro 9.9 billion (2019: Euro 14.0 billion) of capital investments for own account as well as the investment of the fund liquidity of the mutual and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH in the amount of Euro 5.7 billion (2019: Euro 6.2 billion), which are managed using sustainability criteria, this gives a total volume of sustainably managed investments in the Deka Group of approximately Euro 37.7 billion (2019: Euro 32.3 billion). This corresponds to a share of 14 percent of total investments managed in Germany under consideration of strict sustainability criteria according to the calculations of Forum for sustainable investments (Forum Nachhaltige Geldanlage – FNG) (Euro 269.3 billion as on 31.12.2019).

ESG integration into the investment process

Beyond the specific offer of sustainable investment solutions, Deka Investment GmbH continuously works on basically integrating sustainability criteria into its investment process. For this purpose, even in the year under review, further information and data on sustainability aspects for all asset classes were integrated into the in-house research platform and was thus made available to all decision-makers. The platform thereby combines external data with internal analyses and is supplemented by relevant findings from talks with companies' representatives. At the same time, the competent specialist department uses company and sector-related sustainability analyses of external sustainability experts more strongly.

Since the summer of 2019, all portfolio managers and analysts of Deka Investment GmbH as well as Deka Vermögensmanagement GmbH are trained on the topic of sustainability within the scope of the internal "ESG Academy". Subject of the modular seminars are, among others, new regulatory requirements and current trends on the sustainable capital market.

4.1.1.2.1.2 Business dialogue and exercise of voting rights

The direct dialogue with the companies, whose shares and bonds are held by an investor, and the exercise of the voting right and right to speak associated with shares at general meetings are increasingly important instruments of sustainable capital investment. Deka Investment GmbH uses votes and involvement to protect the value of its capital investments and to support sustainable development in the companies.

Direct business contacts

In the reporting period, analysts and fund managers of Deka Investment GmbH had more than 1,600 contacts to companies. Depending on the sector and business model of the respective company, social and environmental aspects of the business activity were regularly addressed besides corporate governance topics. This concerned

approximately 16 percent of the companies represented in special assets.

Deka Investment GmbH follows international principles and goals when determining the focal topics for the business dialogues. These include, in particular, the principles of the UN Global Compact and the ILO core labour standards, as well as the UN SDGs, the goals of the Paris Climate Agreement as well as the climate goals of the European Union and the requirements of the TCFD. In this year under review too, the risks associated with climate change and the possible effects of decarbonisation on the business model of companies were a focal topic in the direct talks with companies.

In cases, where the analysts come across deficits in the handling of the principles of sustainable development or the specified principles and goals within the scope of the corporate analyses, these are addressed in the direct contact with the companies. Where appropriate, Deka Investment GmbH gets together with other investors, for example within the scope of the PRI. If the deficits are not rectified by the company, the company may be excluded from the investment universe as ultima ratio. This exclusion can be applicable not only for specific sustainability products, but basically for all relevant investment products of Deka Investment GmbH.

Exercise of voting rights

The year under review was influenced by the restrictions caused by the Corona pandemic even in the field of general meetings. Since March 2020, general meetings took place only virtually; they often had to be postponed as the technical requirements for a virtual implementation had to be met first. Therefore, in the year under review, representatives of Deka Investment GmbH could personally speak at only three general meetings. At 31 virtual general meetings, Deka Investment GmbH submitted its opinion and questions to the companies in the run-up to the general meetings.

In 2020, Deka Investment GmbH actively voted at 359 general meetings (+13 percent as compared to 2019) on a total of 4,852 agenda items (+26 percent). In around 20 percent of the cases, it voted against the proposed resolutions. Deka Investment GmbH does not limit the exercise of voting rights to Germany, but uses the shareholder rights worldwide at general meetings.

Deka Investment GmbH has defined central cornerstones for its voting behaviour in its "Principles of the voting policy at general meetings", which are also published on the website, just like an overview of the general meetings, at which Deka Investment GmbH has voted in 2020. The principles are based on the comprehensive experience of Deka Investment GmbH as one of the major fund providers

and thus shareholder representatives. They take into account the applicable laws, the respective latest analysis guidelines for general meetings of BVI, the German Corporate Governance Code, the DVFA Scorecard for Corporate Governance, international codes, applicable environmental and social standards as well as the requirements of the PRI. The principles stipulate, among other things, that Deka Investment GmbH reserves the right, on a case-by-case basis, to vote against the discharge of the Board of Directors or the Supervisory Board, if there are violations of facts from the fields of environmental, social and corporate governance (ESG).

In the year under review, Deka Investment GmbH has again intensified the principles for the voting policy. The changes made mainly concern the expansion and further detailing of the sustainability-related requirements, especially in view of the companies' handling of the risks associated with climate change. For example, Deka Investment GmbH attaches importance to the definition of concrete CO₂ reduction goals by the companies.

In 2020 too, Deka Investment GmbH has published its current Engagement Policy, which explains the approach and the procedure for the active dialogue with companies and the exercise of voting rights. In the year under review, the results of the engagement were also published for the first time in an Engagement Report, which is published on the website www.deka.de/privatkunden/ueberuns just like the Engagement Policy.

Implementation of the transparency obligations from the second Shareholders' Rights Directive (ARUG II)

The implementation of the second Shareholders' Rights Directive (ARUG II) is linked with increased transparency obligations for institutional investors, asset managers and voting rights consultants. Institutional investors and asset managers must publish a so-called participation policy, in which they describe their participation in the portfolio companies (§ 134b AktG) or explain as to why they are not doing this. More disclosure obligations should ensure that the interests of the final beneficiaries, e.g. the investors, are taken into account in the implementation of the investment strategy (§ 134c AktG). For this purpose, information must be provided on the consistency between investment strategy and long-term investment interests.

In this context, Deka Investment GmbH has developed various publications and published them on its website. Besides the participation policy, this also includes a Stewardship Code, in which it is explained as to how Deka Investment GmbH understands and implements stewardship. Stewardship basically refers to the fiduciary duty of care on the part of the asset managers, who are given the responsibility to act in the interest of the assets managed in trust by them or of the underlying final

beneficiaries. In its Stewardship Code, Deka Investment GmbH is oriented towards the stewardship guidelines of the German Association for Financial Analysis and Asset Management (DVFA), which are based on the legal requirements of the shares and investment law and recognised industry standards.

To support institutional investors and asset managers in fulfilling their disclosure obligations pursuant to § 134c para. 1 and 2 AktG, Deka Investment GmbH, as a capital management company, provides a document containing information on the funds managed by it. This document supports investors in fulfilling their disclosure obligations pursuant to § 134c para. 1 to 3 AktG. For the fulfilment of the disclosure obligations of the asset manager pursuant to § 134c para. 4 AktG, Deka Investment GmbH has published a corresponding document on the website.

4.1.1.2.1.3 Activities to promote sustainable capital investment

International initiatives

In the year under review, DekaBank joined the PRI, the world's largest initiative by institutional investors and asset managers to promote sustainable capital investment, as asset owner. It has thus created the prerequisite for the accessions of the asset management companies Deka Vermögensmanagement GmbH, Deka International S.A., Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH, which should take place at the latest in 2021. Together with Deka Investment GmbH, which has already signed the PRI in 2012, all major companies of the Deka Group will thus obligate themselves for the implementation of the six principles for sustainable investment. Just like Deka Investment GmbH, whose PRI Progress Reports have been published on the PRI website, the other companies too will regularly report on their corresponding activities in future.

As part of the PRI membership, Deka Investment GmbH also participates, as addressed, in joint engagement initiatives with other global investors. For example, in the year under review, it supported an engagement campaign on the topic of cobalt and human rights. Among other things, it requested German automobile companies to increase the transparency about the supply chain for the procurement of cobalt in order to better identify and combat human rights violations.

Since 2018, Deka Investment GmbH is committed to the goals of the TCFD and supports them as "Supporter". The TCFD borne by private enterprises was started by the Financial Stability Board of the G20 countries. Its main task is the development of uniform standards for the disclosure of climate-related financial risks of companies. Deka Investment GmbH has also joined the British initiative Farm

Animal Investment Risk & Return (FAIRR). It collects data on sustainability standards of companies that work in large-scale animal husbandry and industrial agriculture.

Since November 2016, DekaBank is a member of the Green & Social Bond Principles of the ICMA, which internationally serve as an authoritative framework for the issue process of green and social securities. At the same time, the annual conference of the Green & Social Bond Principles is one of the most important international platforms in the field of Sustainable Bonds. In 2020, this event was conducted virtually for the first time. Current topics of the conference were, among other things, the planned EU Green Bond Standard that builds largely on the Green Bond Principles, as well as the introduction of the Principles for Sustainability-Linked Bonds (SLBP).

Since the end of 2018, DekaBank is also partner of the Climate Bonds Initiative (CBI). The initiative has set itself the goal of integrating the international bond market more strongly into the financing of climate protection and thereby supporting especially also the further market development for Green and Climate Bonds. In cooperation with the CBI, DekaBank could already carry out various customer events on Green Bonds and developments in the Sustainable Finance Market and accompany a study on the German Sustainable Finance Market.

National initiatives

The Green and Sustainable Finance Cluster Germany (GSFCG) is active since 2018; it has originated from the merger of the Green Finance Cluster of the Hessian Ministry of Economic Affairs and the Accelerating Sustainable Finance Initiative. The Cluster's goal is to position itself as a competence and dialogue platform of the finance sector to achieve the German climate and sustainability goals. DekaBank also supports this initiative financially.

One of the pioneers of the anchoring of sustainability aspects in the finance market is Association for environmental management and sustainability in financial institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V. – VfU), in which DekaBank is already involved since 2007. DekaBank is also a member of the FNG and the Corporate Responsibility Interface Center e. V. (CRIC). With its more than 100 members, CRIC promotes a constructive dialogue between companies, politics and finance market players for raising general awareness regarding ethical and sustainable investments.

DekaBank is also active in various sector initiatives and associations in order to exchange views about sustainability-related issues with other players and to develop joint solution approaches. A full list has been

published on the website www.deka.de/deka-group/our-responsibility/how-we-practice-sustainability/sustainable-corporate-management-at-dekabank/business-human-rights.

4.1.1.2.1.4 Investor information and promoting the distribution of financial knowledge

As securities firm of the savings banks, the Deka Group supports its partners not only with an extensive and continuously expanded product range, but also in terms of informing the savings bank customers. It has therefore formulated strict principles for all documents that are made accessible to private customers. The "Guide to preparing advertising and investor information" mainly prohibits aggressive marketing and the exploitation of especially vulnerable customer groups, for example older people. Private customers thereby also include customers from the municipal sector.

The transparency declarations for sustainable funds, which Deka Investment GmbH uses for its sustainability funds, serve for investor information. Thus, numerous sustainability funds bear the transparency logo of the European industry association Eurosif. In this context, Deka Investment GmbH has voluntarily obligated itself to publish accurate, appropriate and up-to-date information in order to especially enable the investors to assess the ESG strategy of a fund and its implementation.

Employees of S Broker AG & Co. KG, the central online broker of Sparkassen-Finanzgruppe, conduct around 60 webinars every year, in which customers and other interested parties can obtain live and free basic and expert knowledge on capital investment. On an average, around 80 participants follow the programmes. S Broker has also strengthened its Youtube activities in 2020. Thus, in the year under review, 78 new videos were uploaded on Youtube; as compared to 2019, the number of calls could be increased by 122,000 and the playback time by 4,300 hours. Since November 2019, S Broker also offers the customers a specific range of information on the topic of sustainability on the website, which is continuously updated. Mainly information about the new Deka ESG-ETFs as well as other new sustainable missions was integrated here in the year under review.

4.1.1.2.2 Real Estate-based investment products

Sustainability strategy in the business area of Real Estate Asset Management

In the year under review, the business area of Real Estate Asset Management (AMI) has developed its sustainability strategy further and supplemented it by additional ambitious goals. This is to ensure, in particular, that the business area of AMI achieves climate neutrality with its entire product range by 2050 at the latest. For this, six

goals were formulated in each case for the business area and for the product offer. The business area-related goals include, among others, sustainability-related expansion of the risk management and risk controlling, comprehensive knowledge building and transfer as well as a sustainable human resources policy. On the product side, this mainly includes the expansion of the sustainable product range, the formulation and implementation of a CO₂ reduction path based on the EU's decarbonisation path, as well as the stabilisation of and, if possible, further increase in the share of certified real estate. For all goals, concrete measures are defined, whose success will be monitored systematically.

Sustainability filter for the fund liquidity

The business area of AMI uses a sustainability filter for the fund liquidity of all mutual funds as well as parts of the special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH. Just like the sustainability filter for DekaBank's proprietary investments, it is based on the principles of the UN Global Compact and also excludes defence companies. As on 31.12.2020, approximately Euro 5.7 billion (2019: Euro 6.2 billion) were managed using the filter.

Sustainable real estate funds

The further expansion of the sustainable product range is a central component of the expanded sustainability strategy even against the background of the regulatory requirements. Within the scope of the consistent certification strategy, a sustainable real estate portfolio could be established in the past few years, which allows consideration of corresponding criteria today itself in all open-ended real estate funds. In a next step, the sustainability-related quality characteristics of the products should be developed further, mainly through the consistent consideration of CO₂ effects in the investment decisions. The business area of AMI is working on an implementation in the products in close consultation with the relevant associations.

Sustainable real estate management

In the year under review, the determination of the CO₂ footprint was systematically summarised and professionalised for all properties managed in the special assets. The basis for efficient control and further reduction of emissions was thus created. The CO₂ emissions calculated on a rolling basis in 2020 are 320,118 tonnes per year over the entire real estate portfolio. In the determination of the required information, it was evident that not all data are available in the required level of topicality and quality. Therefore, missing actual consumption data in individual cases were replaced with benchmark values of an external service provider. The further improvement of the data availability is an important goal for the year 2021.

Furthermore, the real estate management focuses on the optimisation of the energy consumptions and thus also on the reduction of the CO₂ emissions. Since 2019, the business area is cooperating with the PropTech provider MeteoViva Climate. Within the framework of this cooperation, a total of 100 properties from various funds should be equipped with a technology by 2022, with whose support the energy consumptions of the properties can be reduced significantly. In the year under review, the cooperation agreement was extended to properties under reconstruction. In addition, the legal framework conditions for the use of this technology were created in France, the United Kingdom, the Netherlands and Austria.

After five properties in Germany could already be operated with the innovative technology in 2019, 16 more properties were added in 2020. In the year under review, approximately 8,800 MWh/a of electricity and heat energy could be saved in the appropriately equipped properties; this corresponds to a CO₂ saving of approximately 1,700 tonnes. In 2021, the implementation in other countries will be prepared. A concept for the application of technology in hotels and shopping centres should also be developed and implemented within the framework of the cooperation.

In addition to the gradual implementation of the technology within the scope of the cooperation with MeteoViva Climate, the business area has started a selection process for a comprehensive Energy-Monitoring-System (EMS) in the year under review. The aim is, by improving the availability of consumption data, to specifically analyse in future in which properties the investments allow for the highest energy savings.

Use of renewable energies

Deka Immobilien Investment GmbH already supports climate transition since 2013 by purchasing green electricity. The quantity of energy for the operation of buildings, among other things, for lighting and ventilation is very large and therefore represents a major lever for CO₂ reduction. Conventional power (so-called grey power) is generated from a mixture of nuclear energy, fossil energy sources such as oil, coal or natural gas and renewable energy sources, such as wind and solar energy. CO₂ is emitted in its production. Over 30,000 tonnes of CO₂ can be saved annually through 100 percent green power for the common areas and technology of the major part of the German properties in the portfolio of Deka Immobilien. Since 01.01.2020, around 9,500 tonnes of CO₂ are additionally compensated per year through the change-over to green gas.

External certifications and ratings

The sustainability-related certification of fund properties is still an important element of the sustainability strategy of the business area of AMI. The focus is on the comprehen-

sive assessment of a property under social, ecological and economic aspects over its entire life cycle, in order to measure and compare sustainability criteria in accordance with independent as well as established and recognised standards. The certification reports are also an important basis for the sustainability-related further development of the properties. The business area strategy states that measures to reduce the CO₂ footprint documented in the reports should be implemented as a matter of priority.

At the end of the year under review, a total of 267 properties (2019: 258) valued at around Euro 28.5 billion (2019: Euro 26.7 billion) were certified. In relation to the total real estate assets of the Deka funds, a certification rate of around 68 percent was achieved at the end of 2020 just like the previous year. Cf. **FIGURE 6**

By 2018, thanks to the consistent implementation of the certification strategy, a continuous increase in the certification rate could be achieved, which has stabilised at a high level in the past two years.

A reason for the still high certification rate is the fact that open-ended real estate funds are increasingly buying large-scale buildings at internationally attractive locations, which comparatively often have certifications. The background is that the tenants, mainly globally operating groups, are increasingly demanding areas, whose sustainability quality is proven with certificates. Moreover, it is of increasing importance for existing as well as potential tenants to reduce the so-called "second rent", the incidental rental costs. Certifications offer reliable orientation here as well.

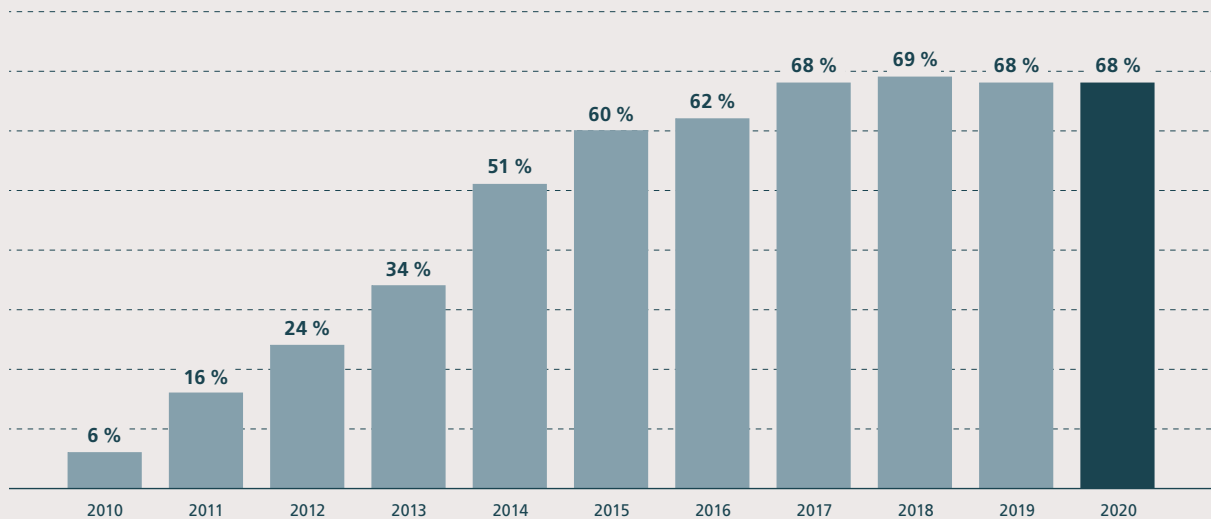
The certification rate is also an important criterion in the annual assessment of all relevant open-ended real estate mutual funds in Germany by the rating agency Scope. Here, in the year under review, Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds were again certified with a constantly high sustainability orientation as well as a very high rate of certification in the sector comparison.

Due to the importance of the certification strategy for the business area, the possibility of a portfolio certification will be evaluated in the coming year; this can allow for further increases in the rates.

4.1.1.2.3 Communication and memberships

Just like the previous years, the business area of AMI has used numerous communication channels even in the year under review in order to actively address sustainability topics among various stakeholders internally and externally. For the internal technical exchange and for the coordination of the executed measures beyond the individual areas, the sustainability programme initiative (PINK) was established in the year under review in the

DEVELOPMENT OF THE CERTIFICATION RATE IN THE BUSINESS AREA OF REAL ESTATE (FIGURE 6)



business area of AMI. In 2020, within the scope of the initiative, over 30 experts worked in seven sub-initiatives on the implementation of concrete sustainability-related measures. These mainly included the addressed, again accelerated development of sustainable fund products as well as the integration of sustainability criteria in the audit process for purchases.

Moreover, the “Greenbag Session”, a monthly voluntary information and discussion event on current sustainability topics for all employees of the entire business area was newly introduced. This format replaces the previous Green Jour fixe. The weekly appointment between the civil engineering department (Real Estate Project Management) and the sustainability coordination was continued in 2020 as well in order to analyse and assess the continuously increasing offer of technical solutions for more efficient real estate management.

The memberships of the business area of AMI in BVI as well as in ZIA German Property Federation (Zentraler Immobilienausschuss e. V.) serve for the exchange in the sector. Representatives of the business area regularly take part in meetings of the “Sustainability” committee and the “Responsible investment” and “Sustainability in real estate funds” working groups of BVI as well as in the “Corporate Social Responsibility” committee and in the “Climate protection plan 2050/Inventory” working group of ZIA in order to obtain and exchange information about current political and legal developments. Dekam Immobilien Investment GmbH is also a member of

Institute for Corporate Governance (Institut für Corporate Governance – ICG), which engages in the further development of sustainable governance structures in real estate companies. Due to the restrictions in the course of the Corona pandemic, the recertification of Compliance Management of Dekam Immobilien Investment GmbH by the ICG, which was planned for 2020, could not be implemented.

The BVI rules of conduct with their voluntary principles and codes form an acknowledged minimum standard for good and responsible handling of the capital and the rights of the investors. As members of BVI, Dekam Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH consider the voluntary principles and codes defined in the rules of conduct of BVI independently and appropriately and develop these further through BVI. The BVI rules of conduct formulate a standard for good and responsible handling of the capital and the rights of the investors. They show as to how the capital management companies meet the obligations towards investors and how they represent their interests towards third parties.

Together with other real estate companies, the business area of AMI is working on a new assessment and reporting standard within the framework of the “ECORE – ESG-Circle of Real Estate” project, with which the ESG and climate quality of real estate properties and funds should be documented and communicated transparently and comparably for investors and tenants.

4.1.2 Sustainability in lending

For the Deka Group's lending business, ESG aspects are on a par with economic aspects in the sense of holistic and risk-optimised portfolio management and are therefore checked extensively before the financing decision. Currently, there is a stronger standardisation of the consideration of ESG criteria within the meaning of the "Guidelines Loan Origination and Monitoring" of the European Banking Authority (EBA). The lending business of the Deka Group includes commercial and capital market businesses, real estate financing as well as special financing.

4.1.2.1 Financing principles

The credit risk strategy of the Deka Group forms the basis for the lending business. It sets the operational framework for all financing activities based on the goals and crash barriers, mainly for sustainable corporate governance, laid down in the Deka Group's business strategy. In view of the consideration of ESG criteria in the lending business, the Deka Group has defined sustainable investment fields, in which it wants to be more active (positive list). Moreover, the Deka Group already excludes various financing types for several years now (negative list).

Positive list⁸

The positive list adopted by the Board of Management includes investment fields, in which the Deka Group strives to acquire more sustainable financing or to support the expansion of these investment fields. The guiding theme for defining the corresponding investment fields is the potential contribution of the financing to the fulfilment of the UN SDGs.

- The Deka Group supports financing that aims at electricity production from renewable energies and its transport or storage.
- The Deka Group also acquires financing, whose goal is the modernisation of production facilities and whose implementation involves a significant CO₂ reduction of the production (30 percent or more is sought).
- The Deka Group supports the financing of banks that contribute to the constitution/development of savings bank-like structures outside the OECD and that have been tested by the International Savings Banks Foundation (Internationale Sparkassen-Stiftung).
- The Deka Group acquires more financing of cargo and passenger ships that minimise their pollutant emissions according to the respective state-of-the-art and are already able/would be able, demonstrably in a timely manner, to comply with the so-called IMO 2020 regulations with respect to the reduction of sulphur emissions.
- The Deka Group acquires financing of cargo and passenger ships only if these have been equipped according to the Ballast Water Management Convention of the International Maritime Organization concluded in 2004, in order to prevent the carry-over of invasive species into foreign ecosystems.

- The Deka Group acquires more financing of ships that contribute to waste reduction in the oceans with their technology.
- The Deka Group acquires financing of aircraft, whose production and management fulfil the highest possible environmental standards.
- The Deka Group supports financing for the modernisation and development in the rail freight network.
- The Deka Group supports financing for promoting digitalisation and the associated infrastructure.
- The Deka Group supports real estate financing for Green Buildings that have a stable energy balance in the building operation (zero-energy building) or that meet the Cradle-to-Cradle approach.
- The Deka Group continuously develops its sustainability efforts further; if, within the framework of syndicated financing, third-party lenders agree upon sustainability filters or specifications that are special or that go beyond those of DekaBank for the financing properties, the Deka Group will check their introduction in DekaBank in the synergy of market unit, back-office and Sustainability Management.

Negative list⁹

The Deka Group has, also for preventing reputational risks, qualified the following transactions as undesirable and/or afflicted with increased risk content. They can be carried out only with an exceptional approval of the Board of Management:

- Transactions, in case of which the public trust in or the reputation of the Deka Group can be sustainably negatively affected through public reports (mainly due to socio-cultural, ethical aspects) about the financing itself, a business partner, the business practice or the country (home country or risk country);
- Transactions with a country as well as borrowers in a country that is included in the "negative list for risk countries"; unless 100 percent ECA-covered business is permitted according to this negative list;
- Transactions with companies that generate a more than 30 percent share of their turnover from coal production and/or more than 40 percent from coal-based power generation;
- Transactions with companies from the pornography industry or comparable industries (red light districts);
- Transactions with companies that operate controversial forms of gambling (betting offices, arcades and similar);
- Transactions with companies that violate internationally recognised principles in the field of human and labour rights (ILO Declaration on Fundamental Principles and Rights at Work);

⁸ According to the business strategy of the Deka Group valid from 01.01.2021.

⁹ According to the credit risk strategy of the Deka Group valid from 01.01.2021.

- Transactions with companies without proven experience and/or in new markets that are not comparable with the home markets;
- Lending transactions having a speculative nature or a very unusual risk (mainly credits within the meaning of the ECB guide to leveraged transactions);
- Speculative real estate financing within the meaning of art. 4 (1) no. 79 CRR or items with a particularly high risk according to art. 128 CRR;¹⁰
- Financing in connection with arms business (financing of deliveries, production and trade);
- Financing, from which per se significant risks originate for the environment, e.g.
 - Uranium mining
 - Development, construction and operation of nuclear/coal-fired power plants
 - Hydro-power plants in recognised protected areas (conservation and Natura 2000 areas) in Germany; international dam projects can be financed only if the borrower can submit a positive audit report regarding the project from an expert accredited by the United Nations Framework Convention on Climate Change (UNFCCC), in which the compliance with the recommendations of the World Commission on Dams has been proven
 - Exploration and mining of minerals from conflict and high risk areas
 - Exploration, mining and transport of rough diamonds
 - Conventional and unconventional fracking
 - Exploitation of tar/oil sand
 - Drilling for the purpose of oil and gas extraction in the Arctic (Arctic Drilling)
 - Extraction and production of palm oil
- Financing in connection with Mountaintop removal mining (indications provided by the OECD environmental policies);
- Financing in direct connection with the production/sale of tobacco;
- Project financing that does not meet the requirements of the Equator Principles (EP); the EP include socially and environmentally compatible standards and refer to the guidelines prepared by the International Finance Corporation (IFC) as well as the industry-specific Environmental, Health and Safety Guidelines (EHS);
- Financing of speculative transactions with food;
- Venture capital financing;
- Financing of companies that produce controversial weapons.

Within the scope of the lending process, all engagements pending for decision are checked for possible environmental and/or reputational risks – i.e. possible exclusion

of the financing based on the negative list – by the market unit and the back-office. If these specialist units conclude that the possible engagement could be associated with increased environmental and/or reputational risks, the Sustainability Management is given a separate audit order. It checks possible negative effects of the financing on all relevant ESG aspects, e.g. even biodiversity.

In the year under review, the Sustainability Management has conducted 15 separate audits (2019: 18). This corresponds to a share of 79 percent of the total 19 credit applications processed in 2020 in connection with a new business (2019: 37).

4.1.2.2 Real estate financing

In the commercial real estate financing, DekaBank concentrates on financing in transparent markets with available market liquidity and safe legal environment, which are of central importance for the business area of Real Estate Asset Management due to their size, transparency and liquidity. In countries, where this is possible, the cover fund eligibility of the loan is basically sought. In addition, suitable financing is used perspectively as a cover pool for the Green Bonds issued by the bank. As customers, even Real Estate Investment Trusts (REITs), real estate companies, pension funds and German open-ended real estate funds are in focus besides the classic investors and project developers at the single property level. At the end of the year under review, there was real estate credit financing in Germany, France, Great Britain, Italy, Ireland, Canada and USA. At the end of the year under review, the gross credit volume including financing for open-ended real estate funds and municipal construction projects was approximately Euro 10.3 billion (2019: 11.2 billion).

Profitability as well as environmental and social criteria are analysed and are included in the due diligence check for real estate loan financing in case of every new business. Here, sustainability certificates are also taken into account as a positive element and real estate with environmentally-friendly characteristics is thus preferred in the business initiation. Besides energy-efficient management, sustainable real estate generally has better rentability and higher value stability. This is reflected in the security position of the lender.

4.1.2.3 Special financing

The gross credit volume of DekaBank in the field of special financing was Euro 14.6 billion on the reporting date (2019: Euro 16.1 billion). With a volume of around Euro 3.9 billion (2019: Euro 4.7 billion), 26.8 percent thereof (2019: 29.4 percent) fell to transport sector financing; around Euro 5.1 billion (2019: Euro 5.6 billion) or 34.9 percent (2019: 34.7 percent) to infrastructure and export financing. The legacy portfolio, which predominantly contains loans in the field of ship financing,

¹⁰ CRR: Capital Requirements Regulation; European capital adequacy regulation for banks and financial service providers within the scope of Basel II.

which were concluded before the change in the credit risk strategy in 2010, could be reduced further in 2020 as planned to less than Euro 0.1 billion (end of 2019: Euro 0.2 billion). A further amount of Euro 5.5 billion (2019: Euro 5.6 billion) or 37.9 percent (2019: 34.9 percent) is in savings bank and public financing.

Transport sector financing

The transport sector credit portfolio of DekaBank primarily includes loans secured through aircraft and ships by mortgages. On the reporting date, the volume in aircraft financing amounted to around Euro 2.9 billion (2019: Euro 3.5 billion); a further amount of approximately Euro 1.0 billion (2019: Euro 1.3 billion) was in ship financing.

DekaBank finances exclusively such means of transport, which correspond to the current technical requirements in terms of fuel consumption and environmental protection guidelines and are basically not older than 15 years at the end of the term of the loan. The compliance with environmental and safety regulations as well as, if applicable, necessary upgrades is always ensured, e.g. with defined saving mechanisms.

Financed ships must also fly a flag listed by the Paris Memorandum of Understanding on Port State Control. This ensures uniform inspection of ships at the harbours, mainly with respect to the compliance with safety and social standards. Moreover, as defined in the positive list, only such ships are financed, which have been equipped according to the Ballast Water Management Convention of the International Maritime Organization (IMO) concluded in 2004 and which meet the IMO-2020 requirements. In the year under review, DekaBank has successfully completed financing with a long-standing customer for the upgrading of up to eight ships of the fleet with exhaust gas cleaning systems ("scrubbers"). Scrubbers help in reducing sulphur emissions through exhaust gas cleaning and are an important part of the customer's corporate strategy to comply with the IMO 2020 environmental provisions.

Infrastructure financing

In the infrastructure and export credit portfolio (Euro 5.1 billion) of DekaBank, around Euro 1.4 billion (2019: Euro 1.4 billion) fell to the financing of renewable energy production as well as its infrastructure, including mainly wind farms, solar parks and hydroelectric power plants. A further amount of Euro 1.0 billion (2019: Euro 1.3 billion) was provided for financing social infrastructure, e.g. research centres and hospitals. Out of the remaining amount of Euro 2.7 billion (2019: Euro 2.9 billion), Euro 1.3 billion (2019: Euro 1.3 billion) fell to project financing in the infrastructure sector, also including financing of

municipal utilities that implement new energy concepts with the goal of substitution of coal-fired power with regenerative energy sources, as well as Euro 1.4 billion (2019: Euro 1.6 billion) to export financing.

In 2020, DekaBank mainly participated in the project financing of Euro 2.0 billion for the 497 megawatt offshore wind farm "Fécamp" on the French Atlantic coast. "Fécamp" is part of the largest approved offshore wind farm project pipeline in France and is a milestone in France's energy revolution along with its sister projects St. Nazaire and Courseulles. The wind farm in the English Channel should supply electricity to around 770,000 inhabitants. DekaBank is also involved in the financing of the offshore wind farm "St. Nazaire" (480 megawatt).

In total, DekaBank has proportionately financed six offshore wind farms with a total capacity of 2.8 gigawatt and a total financing volume of over Euro 10 billion in Germany, France and the United Kingdom.

4.2 Employees – Sustainable HR management

The Corona pandemic has changed the world of work – the images of employees working in home office during the lock-downs are among lasting impressions of the year. Even at Deka Group, the employees replaced their office with the mobile workplace over long periods of the year under review. On the one hand, this was possible without sacrificing the quality of the services for our customers due to the fact that the IT Department created the necessary technical requirements very quickly. On the other hand, the employees handled this situation very professionally and flexibly. The Corona pandemic has once again accelerated different trends, which already characterise the developments in the HR field for several years; for example, the increasing digitalisation of the work processes and the significantly more flexible design of work places and working hours.

4.2.1 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 pursues the goal of appointing "the right employees at the right place". The HR strategy is developed further under consideration of the group initiatives, the market environment and relevant economic, social, political and regulatory trends.

The responsibility for the formulation, further development and implementation of the HR strategy for the Deka Group lies with the HR division of DekaBank. 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 diversity, gender equality, equal opportunities and the compatibility of career and family, workplace safety and health management as well as the structure of remuneration.

The HR division ensures a demand- and future-oriented approach for HR management measures through a regular exchange at various levels: On the one hand, needs and concrete offers are determined on the basis of direct feedback of the employees within the scope of the employee support as well as feedbacks of managers to the manager support.

On the other hand, guidelines for action are derived directly from the strategy as well as from impulses of the Board of Management and the Management. Finally, specific measures for individual employee groups result from the continuous dialogue with the Equal Opportunities Officers, the employee and disabled persons' representatives and the youth and trainees' representatives.

Since 2017, the HR division continuously deals with the topics of digitalisation, agility and work 4.0. The objective

is to actively support the digital transformation in various specialist areas and to promote the "agile mindset" within the Deka Group. In 2018, work has begun to offer the employees and managers targeted formats for competence and knowledge building for the new world of work, which are continuously being developed since then. Within the scope of the Corona pandemic and the Management Agenda 2025, the offers for digital learning formats and content were again expanded considerably.

DekaWay – redesigning work

The goal of "DekaWay" is to interlink classic and agile work forms, in order to better meet the increasing demands, resulting e.g. from the technological change and the digitalisation as well as the constantly changing needs of customers. The principle applicable here is that a classic mode of operation is always used when the requirements are clear and the procedure is predictable; agile forms are used when these conditions are not met. Both forms are complementary and characterise the functioning and actions at the Deka Group. Agile work requires the use of completely new working techniques by employees. Therefore, DekaBank already offers them trainings on the basics and methods of agile working since 2017. This offer of further training opportunities was again expanded considerably within the scope of the introduction of "DekaWay" in August of the year under review.

Open dialogue with employee representatives

In Germany, the employees are represented by staff and works councils and in Luxembourg, by the staff representatives. The disabled persons' representatives and the Equal Opportunities Officers are also available to the employees as internal contact partners for problems at

work. In addition, the youth and trainees' representation represents the interests of trainees and interns at the Deka Group. **TABLE 2** gives an overview of the current structure and the bodies.

Deka Pulse-Check

In the year under review, Pulse-Check was introduced as an additional tool for the active involvement of employees. Within the scope of the short surveys, they have the opportunity to comment on current issues and initiatives. The 1st Deka Pulse-Check mainly dealt with the handling of the challenges of the Corona pandemic by the Deka Group.
Cf. chapter 2.3 "Employee surveys"

4.2.2 HR management

Number of employees and structure

Within the scope of the strategic cost initiative DekaPro within the Deka Group, a savings target was specified at the HR level too, which should be achieved mainly through the reduction of up to 400 jobs. At the end of the reporting period, 170 jobs were reduced in this context. While doing so, the pronounced goal was to find socially acceptable solutions and to avoid lay-offs as far as possible. Appropriate framework agreements have been made with

the social partners. Around 90 percent of the cost savings goal have already been achieved through discharges of people approaching retirement, termination agreements at the request of the employee, work time reductions and non-staffing of openings as well as through further savings of material costs. There were no dismissals within the scope of the DekaPro cost initiative in the year under review.

As on 31.12.2020, a total of 4,541 employees were employed at the Deka Group (2019: 4,566). Since full HR Management integration has not yet taken place, the data for S Broker AG & Co. KG are given separately. It had 167 employees at the year end of 2020. Cf. **TABLES 3 + 9**

Age structure

The average age of all domestically active employees of the Deka Group at the end of the year 2020 was 45.2 years (2019: 44.7 years). The most heavily represented group was the age group between 50 and 54 years. Cf. **TABLE 4**

Resource management and maintenance of the employer brand

On the career page of the DekaBank website updated in 2020, applicants obtain insights into the world of DekaBank and find information as to what DekaBank offers as an employer. Special landing pages of the divisions of IT, Investment, Real estate as well as the pages for scholars, students, career starters and experienced professionals directly address different target groups and inform them about career opportunities. The differentiated,

BODIES FOR HR REPRESENTATION (TABLE 2)

Company	Location(s)	Employee Representation	Members	Exemptions
DekaBank	Frankfurt/Leipzig	Staff Council	15	4
Deka Immobilien Investment	Frankfurt and regional offices	Works Council	11	1
Deka Investment	Frankfurt/Leipzig	Works Council	11	1
Deka Vermögensmanagement	Frankfurt	Works Council	5	0
Deka Immobilien Investment/WestInvest	Düsseldorf	Joint Works Council	5	0
Deka Immobilien Investment		General Works Council	4	0

NUMBER OF EMPLOYEES (TABLE 3)

Total employees (headcount)	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	female	male
Domestic companies	3,993	4,094	4,160	4,168	4,177	1,626	2,551
Foreign companies	413	398	404	398	364	164	200
Deka Group	4,406	4,492	4,564	4,566	4,541	1,790	2,751

AGE STRUCTURE OF ACTIVE EMPLOYEES (TABLE 4)

Deka Group in Germany	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	female	male
% of under 20 year-olds	0.1	0.0	0.1	0.0	0.1	0.1	0.0
% of 20–24 year-olds	1.3	1.2	1.4	1.5	1.6	2.1	1.3
% of 25–29 year-olds	5.0	4.9	4.9	4.9	4.7	5.2	4.4
% of 30–34 year-olds	10.9	10.6	10.4	9.8	8.8	9.4	8.5
% of 35–39 year-olds	17.0	15.7	14.2	12.6	12.3	12.4	12.2
% of 40–44 year-olds	18.2	17.6	17.6	17.8	17.4	19.6	16.0
% of 45–49 year-olds	21.8	20.6	19.4	18.4	17.8	16.5	18.5
% of 50–54 year-olds	16.8	19.0	19.9	20.0	19.5	17.7	20.6
% of 55–59 year-olds	6.5	7.4	8.9	10.9	13.6	13.2	13.8
% share of 60-year-olds and older	2.5	2.9	3.3	4.0	4.3	3.7	4.7
Average age in years	43.3	43.8	44.2	44.7	45.2	44.6	45.7
Active employees (headcount)	3,701	3,805	3,918	3,884	3,930	1,471	2,459
S Broker AG & Co.KG/Management AG (in yrs)	41.3	42.0	43.2	43.2	41.1	–	–

FLUCTUATION RATE* (TABLE 5)

Deka Group in Germany (%)	2016	2017	2018	2019	2020	Number
Women	3.4	3.2	4.1	4.5	6.0	96
Age range 20–29	9.2	8.5	11.5	5.1	8.1	8
30–39	2.4	3.2	4.5	6.0	7.4	29
40–49	2.7	2.4	3.2	3.7	4.6	26
50–59	0.9	0.8	1.5	2.3	2.5	12
> = 60	18.5	15.6	10.0	12.8	30.0	21
Men	3.0	3.0	4.3	4.4	4.1	105
Age range 20–29	2.9	9.7	6.3	11.8	6.5	7
30–39	3.6	3.5	9.1	6.7	6.7	37
40–49	2.1	2.5	2.6	4.2	3.7	33
50–59	2.3	1.8	1.2	1.2	2.0	17
> = 60	13.0	5.2	11.5	8.9	8.1	11
Total fluctuation rate	3.1	3.1	4.2	4.4	4.9	201
* without the Board of Management, temporary staff, trainees, students, apprentices, interns/graduating students, pensioners (start supply reference).						
S Broker AG & Co. KG/Management AG	6.0	6.0	17.6	9.6	9.0	15

ENTRY RATE* (TABLE 6)

Deka Group in Germany (%)	2016	2017	2018	2019	2020	Number
Women	4.8	4.7	5.9	3.6	3.5	57
Age range 20–29	11.2	5.1	23.6	17.0	12.6	12
30–39	6.5	18.5	8.6	4.8	5.0	20
40–49	5.0	8.4	3.2	3.0	2.4	14
50–59	1.2	2.4	1.9	0.9	2.3	11
> = 60	0.0	1.6	3.5	0.0	0.0	0
Men	5.7	1.4	5.0	3.8	3.7	95
Age range 20–29	13.8	4.5	27.5	12.8	14.0	14
30–39	9.4	21.6	8.7	7.7	8.1	44
40–49	5.3	8.1	3.5	3.0	3.4	30
50–59	1.7	2.3	0.8	1.4	0.8	7
> = 60	0.0	1.9	0.0	0.0	0.0	0
Total entry rate	5.4	3.0	5.3	3.7	3.6	152
* without the Board of Management, temporary staff, trainees, students, apprentices, interns/graduating students.						
S Broker AG & Co. KG/Management AG	–	–	–	–	13.7	25

modern discourse of the various target groups that is associated with a high recognition value is one of the results of the Employer Branding project implemented by DekaBank since 2018. The goal is to impart a comprehensive picture of the benefits of working at the Deka Group to potential applicants and to thus attract them to work at the Deka Group.

The Deka Group has committed itself to filling the 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 68.9 percent (2019: 59.5 percent). Since 2014, vacant management positions have been occupied within the framework of the “Deka Management Forum”, which was modernised in the year under review. This includes the support by an external management diagnostician as well as the option of carrying out the procedure remotely to some extent.

The internal tendering and appointment process is coordinated in the context of the service/operating agreement with the employees’ representatives. Members of the employee representations and the Equal Opportunities Officers participate in specific selection procedures.

Fluctuation, length of service and entries

An important quantitative indicator for the success of the HR management and the maintenance of the employer brand is the fluctuation rate. In 2020, it was 4.9 percent in Germany and is thus slightly above the level of the previous year (2019: 4.4 percent) (cf. TABLE 5). After an average length of service of over ten years could be reached for the first time in 2015, it was at a new high at the end of 2020 with 11.8 years (2019: 11.5). This is an above-average value in sector comparison and speaks for the Deka Group’s attractiveness as an employer.

4.2.3 Training and further education

Training

As on 31.12.2020, a total of 69 apprentices and trainees, including funded students, were employed in Germany by the Deka Group (cf. TABLE 7). 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.

As in previous years, all apprentices, who were interested in an employment, were employed even in the year under review. In August 2020, five IT Specialist apprentices started in the IT division besides the Trader apprentices for office management and the sandwich students. This

training course was introduced anew to meet the long-term requirement for Specialists in this field of competence and to train own trainees.

The Deka Group places great value on the fair treatment as well as the appropriate promotion of trainees. Therefore, DekaBank 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 within the framework of an internship at the Deka Group.

Further education

At least once a year, employees and management determine individual development paths on the basis of identified development requirements. There is a wide spectrum of measures available, which is continually developed further on the basis of the strategy and requirements. It includes offers to develop personal, methodical, social and technical skills. DekaBank supports its employees in internal or external further education measures financially and in terms of time. Form and scope of the involvement of employees in the joint definition of their further professional development were re-regulated in the year under review together with the employee representatives through the internal “Competence Development” agreement.

The agreed further education 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 education, completed with a certificate. Within the framework of the further education offer, DekaBank increasingly relies on short and digital formats in order to allow good integration and application in the day-to-day work and a mobile access. The possibilities of virtual participation in online presence offers as well as in self-learning formats were expanded in particular with the goal of also promoting the competences in the handling of digital tools and media besides location-independent access to learning opportunities. This offer has also proven its worth during the Corona pandemic as an alternative to events requiring physical presence. Examples for this include virtual classroom trainings, e-learning or corresponding blended learning offers. The blended learning formats used are characterised by the combination of different methods and media. For example, online classroom training and e-learning are enriched with transfer-supporting tasks between smaller learning units. This should sustainably promote the competence development with appropriate practical relevance. For managers, the app-based DekaCoach offers the possibility to work on topics around leadership individually and in a demand-based manner.

JUNIOR STAFF (TABLE 7)

Deka Group in Germany (headcount)	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	female	male
Trainees	47	53	33	32	40	16	24
Funded Students (HfB, HdS)	9	8	4	6	4	2	2
Apprentices	22	16	15	16	25	16	9
Junior staff	78	77	52	54	69	34	35

COSTS AND SCOPE OF FURTHER EDUCATION MEASURES (TABLE 8)

Costs for further education measures							
Deka Group Germany	2016	2017	2018	2019	2020		
Further education costs (€m)	3.4	3.2	3.5	3.8	2.5		
Average per active employee (€)	973	900	949	1.042	676		

Seminar hours							
Deka Group Germany	2016	2017	2018	2019	2020	female	male
Seminar hours in total spend in DekaColleg offers (h)	27,062.5	25,496.1	25,835.0	22,369.4	16,246.4	6,896.6	9,349.8
Average per active employee (€)	7.3	7.2	7.1	6.1	4.4	–	–

The DekaLearning system maps the internal central further training offer. It provides a comprehensive overview of the further education opportunities to the employees and allows them to put together personal learning plans. Here, the users have the option of opting for self-learning or guided learning formats according to their individual learning preferences. In addition, three qualification paths were set up in the year under review, which cover the topic of sustainability and link a series of learning opportunities around this topic together. The three qualification paths are oriented towards the employees from the Sales department and also cover regulatory topics as well as in-depth knowledge on the sustainability products of the Deka Group besides basic knowledge on sustainability. In the year under review, the total 17 learning modules of the qualification paths have already been used around 250 times.

Further training costs

The financial costs of further education measures in Germany during the year under review amounted to an average of Euro 676 per active employee (2019: Euro 1,042). The Corona-related special situation as well as the mentioned change-over of the further training opportunities to shorter and digital formats has contributed to the reduction of the average investments in further training per employee. This figure does not include the costs of further education within the scope of various projects, e.g. for the implementation of MiFID II and GDPR “on the job” measures and the use of educational leave.

In total, 16,246 seminar hours were completed in the year under review within the scope of the DekaLearning offers

(2019: 22,369). Thus, on an annual average, 4.4 hours (2019: 6.1) per active employee were invested in events of the DekaLearning offer. On the other hand, there is an increase in the use of the provided learning opportunities. This has more than doubled as compared to the previous year mainly due to the large number of new virtual and shorter formats. External further education is not included therein. Cf. TABLE 8

Evaluation of measures

The training courses and seminars offered are constantly evaluated on the basis of satisfaction, learning success, transfer success and benefit. In 2020, the surveys were expanded by the recording of support needs, perception of benefits and transfer options in the technical-virtual environment due to the increased change-over to virtual learning formats.

4.2.4 Diversity

A diverse workforce – be it with reference to gender, cultural origin, life experience or the talent of each and every individual – represents an enrichment for the Deka Group and is a key driver for competitiveness and innovation. In order to be able to use this even more strongly, the topic of diversity is a measure within the scope of the Management Agenda 2025. The starting point is a holistic approach, which takes into account all relevant dimensions of diversity. Based on the status quo, a comprehensive diversity strategy should be drawn up for the Deka Group as well as concrete measures and initiatives should be derived.

NUMBER OF WOMEN AND MEN (TABLE 9)

Number of women and men: Total* Employees					
Deka Group in Germany (headcount)	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020
Women	1,560	1,603	1,636	1,641	1,626
Men	2,433	2,491	2,524	2,527	2,551
Total	3,993	4,094	4,160	4,168	4,177
Total* share of female employees (in %)	39.1	39.2	39.3	39.4	38.9
S Broker AG & Co. KG/Management AG	150	157	152	157	167
Total* share of female employees (in %)	36.0	40.8	36.2	35.7	35.3

* Active employees + apprentices + inactive employees + trainees.

Number of women and men: Active** Employees					
Deka Group in Germany (headcount)	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020
Women	1,389	1,435	1,491	1,466	1,471
Men	2,312	2,370	2,427	2,418	2,459
Active** Employees	3,701	3,805	3,918	3,884	3,930
Total share of active** female employees (in %)	37.5	37.7	38.1	37.7	37.4

** Sum of Board of Management + senior executives + permanent employees + temporary employees + temporary helps.

For the Deka Group, it is also of central importance to provide framework conditions, which prevent discrimination, sexual harassment or bullying from occurring at all. Violations of the code of ethics or other forms of discriminatory treatment in the sense of legal regulations as well as threatening, hostile or abusive behaviour are immediately punished.

Equality

The field of action of "equality" is a sub-aspect of diversity and deals especially with equal opportunities for women and men as well as with the promotion of the compatibility of career and family. Through the implementation of the following measures, DekaBank also contributes to the implementation of the UN Women's Empowerment Principles to ensure the equal treatment of women in the professional context, for which it has obligated itself in 2017.

Equal opportunities for women and men ¹¹

Gender Equality Plan

To continue to improve the equal opportunities for women and men, three gender equality objectives were defined within the framework of the 4th Gender Equality Plan of the Deka Group, which came into force on 01.01.2017. They apply for the entire Deka Group and go beyond the legal specifications. Based on the data as on 31.12.2018,

an interim result was prepared, on whose basis the further need for action was derived. This manifested especially in case of the first objective of the Gender Equality Plan: increasing the proportion of women in management positions and promotion of professional advancement of women.

WOMEN IN MANAGEMENT POSITIONS – GOALS UP TO 2021 (TABLE 10)

	31 Dec 2019	31 Dec 2020	TARGET 31 Dec 2021
Division management	8.1 %	8.1 %	12.0 %
Department management	15.7 %	15.6 %	18.0 %
Group management	22.3 %	22.3 %	25.0 %
Head of department	21.1 %	21.0 %	26.0 %

In order to achieve these two sub-objectives, the Deka Group implements numerous measures. This includes, for example, the Women's Mentoring Programme. Every year, eight female prospects start here, who are supported by a department head for 18 to 24 months. Around one third of the participants from the mentoring programme are today working in management positions at Deka Group. A framework programme promotes networking and individual further development. Even the events of the

¹¹ As on 31.12.2020, there are no employees, who admit to the third gender, in an employment relationship with the Deka Group. This is why the further text in the chapter refers to equal opportunities for men and women.

Equal Opportunities Officers for the women of the Deka Group and the personal consultations support the professional development and networking. For specifically addressing women, the Deka Group uses the Genderdax platform. Here, in a detailed profile, women find specific information about measures for the encouragement of women at Deka Group. The new career page that is activated since September 2020, gives a very good insight into the world of work at Deka Group and increases the employer's attractiveness for female specialists and managers with imagery, text and messages.

The career network FondsFrauen (fund women) has set itself the task of networking of women and their support in the German-speaking investment fund industry; DekaBank joined this network in 2018. The Deka Group can specifically place job advertisements here for relevant target groups. The cooperation enables women to network beyond hierarchy levels to allow a regular exchange and to support each other in the implementation of their personal and professional goals. Since 2020, DekaBank is also a member of the IWIL (Initiative Women Into Leadership), a company-wide mentoring program.

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.

As the third gender equality objective, men should be encouraged to take advantage of the schemes to reconcile 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.

In case of measures concerning organisational structure, it is regularly analysed as to what extent gender-relevant effects arise, whether there is a change in the framework conditions for the compatibility of work and family life or in the opportunities for professional development. If necessary, alternative solutions are considered.

Information and networking

Since 2003, the Equal Opportunities Officer of the Deka Group has held regular events to inform employees on current gender equality objectives. In addition, the Equal Opportunities Officer organises events that are exclusively aimed at women. These include the Annual Women's General Meeting, in which a member of the Board of Management of the Deka Group takes part regularly, as well as the series of events DekaFrauen-Fokus (Deka women in focus).

Compatibility of career and family

With the help of life-cycle-oriented HR management, DekaBank aims to create framework 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. For this, all employees have a consulting and mediation offer on the topics of children and care at their disposal regardless of the location.

The continuous further development of the offer is also supported by the participation in the external certification procedure "audit berufundfamilie" (career and family audit), in which the Deka Group has regularly participated since 2005. In 2018, the Deka Group was distinguished for the fifth time for its family-conscious HR policy.

In the year under review too, the focus was on supporting the managers in their task of working out good and coordinated solutions for the compatibility of career and family for the teams and all team members. In order to specifically approach further measures in this field, the Equal Opportunities Officer has carried out a third survey on the compatibility of career and family in mid-2020. In comparison with the previous surveys, the employees' satisfaction with the framework conditions and the support by the managers has increased further. Based on the results, all divisions of the Deka Group have defined concrete measures to ensure and to further improve the compatibility of career and family.

Working time models

Flexible working hours are an important building block for the reconciliation of work and family or care. We currently offer 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 2020 was 20.9 percent, i.e. above the previous year's figure (2019: 19.9 percent). Cf. TABLES 12 + 13

The permanent 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-ZeitDepot (Deka Time Account). The possibility is stipulated in collective agreements, under certain conditions, to also extend the duration of the period of parental leave within the framework of the family phase for a maximum of six months.

If the respective activity is appropriate and the relevant manager agrees, the Deka Group offers its employees the opportunity to work in a mobile manner on the basis of service/operating agreements with the employee representatives. Within the scope of the Corona pandemic, this regulation was increasingly used, so that on average over

PROPORTION OF WOMEN IN MANAGEMENT POSITIONS (TABLE 11)

Deka Group in Germany	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	female	male
Board of Management	20.0 %	20.0 %	20.0 %	16.7 %	20.0 %	1	4
1. Management level (Head of Division)	7.9 %	5.7 %	8.6 %	8.1 %	8.1 %	3	34
2. Management level (Head of Department management)	15.7 %	15.7 %	16.2 %	15.7 %	15.6 %	19	103
3. Management level (Group manager)	22.0 %	23.7 %	24.5 %	22.3 %	22.3 %	61	213
Management levels (including Board of Management)	18.8 %	19.7 %	20.8 %	19.1 %	19.2 %	84	354
for information: Sachgebietsleitung	23.6 %	22.5 %	22.0 %	21.1 %	21.0 %	41	154
Proportion of women in Management Positions							
S Broker AG & Co. KG/Management AG	20.0 %	20.0 %	18.8 %	25.0 %	28.6 %	4	14

PART-TIME RATIO OF ACTIVE EMPLOYEES (TABLE 12)

Deka Group in Germany	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	Full-time	Part-time
Women	36.1 %	37.4 %	38.6 %	41.0 %	42.3 %	849	622
Men	5.1 %	5.5 %	6.1 %	7.2 %	8.1 %	2,260	199
Part-time ratio total	16.8 %	17.5 %	18.5 %	19.9 %	20.9 %	3,109	821
Women	31.6 %	34.4 %	34.5 %	35.7 %	35.6 %	38	21
Men	8.6 %	11.8 %	14.4 %	14.9 %	11.1 %	96	12
S Broker AG & Co. KG/Management AG	17.3 %	21.0 %	21.7 %	22.3 %	19.8 %	134	33

PART-TIME RATIO OF MANAGERS (TABLE 13)

Deka Group in Germany	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	Full-time	Part-time
Women	17.3 %	21.3 %	18.6 %	18.3 %	19.0 %	68	16
Men	1.2 %	2.5 %	2.4 %	2.9 %	3.4 %	342	12
Part-time ratio total	4.3 %	6.2 %	5.8 %	5.8 %	6.4 %	410	28

80 percent of the Deka Group employees have regularly worked in a mobile manner since March 2020.

The proportion of employees of the Deka Group in Germany, who do not participate in time recording – usually non-tariff employees – was 67.4 percent in 2020 (2019: 66.6 percent). The proportion of employees, who are not assigned to any working time model due to a temporary job with a temporary employment contract or for other reasons, was 2.2 percent (2019: 1.5 percent). The number of temporary staff and student employees amounted on average over the year to 86 (2019: 43).

With the amendment of the Temporary Employment Act (Arbeitnehmerüberlassungsgesetz – AÜG), the legislator has introduced some new regulations on temporary work. With the new regulations, the legislator wants to especially prevent temporary workers from being appointed as advisers with a service or work contract within the framework of a “hidden contract staffing”. The measures resolved

upon include the introduction of the “Equal Pay” principle after nine months as well as maximum assignment period of 18 months.

Support of employees with children

Permanent employees with small children can take advantage of the support of Deka Group in child care. The offer includes 35 crèches and 16 kindergarten places provided in Frankfurt. Since 2018, it is also possible for employees, who are working for the Deka Group outside the headquarters in Frankfurt, to apply for a nursery place at another location of the pme family service all over Germany depending on the availability.

In addition, the Deka Group provides emergency care, which parents can use up to five days a year per child for free, if the regular child care fails. Parents of school-age children are also supported in bridging school holiday time through the financing of up to ten days' holiday programme per year and per child. Since the Corona crisis

EMPLOYEES ON PARENTAL LEAVE* (TABLE 14)

Parental leave – as per reporting date (headcount)	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020
Women	79	76	67	79	80
Men	9	9	7	5	6
Total	88	85	74	84	86
Parental leave – during the year (headcount)	2016	2017	2018	2019	2020
Women	58	72	82	78	83
Men	122	119	126	139	106
Total	180	191	208	217	189
Average duration of parental leave (months)	2016	2017	2018	2019	2020
Women	13.1	14.3	13.0	14.7	12.6
Men	1.5	1.7	1.2	1.6	1.3
Return after parental leave (headcount)**				2019	2020
Women	–	–	–	73	75
Men	–	–	–	138	105
Total	–	–	–	211	180
Return rate (%)**				2019	2020
Women	–	–	–	98.6	96.2
Men	–	–	–	99.3	99.1
Total	–	–	–	99.1	97.8
Remaining after parental leave (12 months) (headcount) **				2019	2020
Women	–	–	–	75	73
Men	–	–	–	115	128
Total	–	–	–	190	201
Retention rate (12 months) (%)**				2019	2020
Women	–	–	–	96.2	96.1
Men	–	–	–	90.6	92.8
Total	–	–	–	92.7	93.9

* Without maternity leave and secondary activities in parental leave.

** These key figures have only been systematically recorded since 2019.

caused widespread closure of care facilities and schools, the Deka Group implemented virtual childcare with age-appropriate programme during this period together with the pme family service in order to relieve stress of employees. Flexible working time arrangements and the extensive ability to work in a mobile manner also contributed to easing the situation in families with children at least partially.

On an average, over the last five years, Deka Group employees return to work 13.5 months (2019: 13.4 months) after the birth of a child. Employees are increasingly taking advantage of parental leave: In the course

of the year 2020, 106 Deka Group male employees claimed parental leave (2019: 139). Thus, their number was higher than that of women (83) (2019: 78); at the same time, the average duration of the parental leave availed was shorter (men: 1.3 months / women: 12.6 months). The return rate after parental leave was 97.8 percent (2019: 99.1 percent); the continuance rate in the year under review was 93.9 percent (2019: 92.7 percent). The HR division and the team of the Equal Opportunities Officers provide employees with comprehensive consultancy and mediation services in the organisation of child care and on the topics of mother protection and parental leave.

Since 2015, the Deka Group also cooperates with the Viva family service, which offers consultancy and mediation around the topics of childcare and medical care. In the year under review, 81 cases were attended to in the category of profession & children (2019: 80). Since employees can place their concerns by phone or by e-mail, the offer is available all over Germany across multiple locations. Thus, the employees in Luxembourg can also participate if their question relates to Germany.

Support for employees with relatives, who need nursing care

In order to underline the increasing importance of this topic, the Deka Group has signed the Hessian Charter on Compatibility of Career and Care-giving Activities in 2014. With its measures, DekaBank wants to contribute to creating a work environment, where caring for relatives is not a taboo subject anymore and the persons concerned are given respect and recognition for this task.

In cooperation with professional partners such as Viva family service, we support 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. In the year under review, 201 cases were attended to by Viva family service in this category (2019: 115).

Nationalities

At the end of the year 2020, 278 employees (132 women and 146 men) had a non-German nationality. With 7.1 percent, their share in the year under review is approximately at the previous year's level (2019: 7.0 percent). In total, employees from 49 countries are employed at the Deka Group; the most strongly represented countries are Italy, Croatia, France, Russia, Turkey, Greece and Poland.

Severely disabled

All DekaBank 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. Even in the new building project in Frankfurt-Niederrad, the corresponding requirements will be taken into account fully.

67.3 percent of the mandatory positions for disabled persons were filled at the year-end of 2020 (2019: 66.8 percent). The interests of disabled employees are represented by the Disabled Employee Representatives. The employees of DekaBank as well as the subsidiaries Deka Immobilien Investment GmbH and Deka Investment GmbH have separate Disabled Employee Representatives as contact persons for all questions around the topic of severe disability.

4.2.5 Workplace safety and health management

The health management was developed in the context of the life-cycle-oriented HR management 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/sports, nutrition, medical/prevention and mental health.

Sickness rate

The sickness rate was 3.2 percent in 2020 and was thus below the previous year's rate (2019: 4.1 percent). The monthly development shows that higher sickness rates occurred mainly in the 1st quarter of 2020 and the value then dropped significantly. The changed sickness rates can be explained, among others, by the protective and hygiene measures taken for the employees by the Deka Group from mid-March within the scope of the Corona pandemic. There were no deaths at work in the Deka Group even in 2020, just like the previous years. Cf. TABLE 15

Exercise, sports and nutrition

During the lock-down in the spring and autumn of 2020, the in-house fitness and health centre of the Deka Group (Health Center) also had to be closed like all public studios. Within a very short time, a comprehensive online course plan was prepared, so that the employees could work out from home. The new online offer could also be used by employees, who do not work in Frankfurt.

As a follow-up to the Health Center closed at the end of the year under review, the new digital health platform named "Deka.machtfitt" was launched in October 2020. This allows employees¹² to use offers individually and flexibly. The platform offers a large network of partners with a wide range of subsidised and certified health and prevention courses, which can be used at work or at home, as well as via the app. The offer on the platform can be constantly expanded by new providers and offerings. In the first three months between the launch and the end of the year under review, 1,685 employees have already registered on the platform. Full participation in "Deka.machtfitt" is available to all employees with German employment contract for free; for employees in Luxembourg, there are only a few restrictions.

The Deka Group also supports the participation in running events like the annual J.P. Morgan Corporate Challenge through the inner city of Frankfurt. In 2020, this run was cancelled due to the Corona pandemic and took place virtually for the first time. Interested employees had the option of registering via an app and completing their personally chosen route over the required 5.6 kilometres.

¹² This excludes interns as well as working students.

Finally, the Deka Group also promotes its company sports club (DekaBank Sport e. V.) to support sports activities of employees. It offers a range of 15 sports to its 518 members.

A balanced diet is an important part of health care. Therefore, the Deka Group attaches great importance to varied and healthy food from the region in the canteen. Information around the topic of nutrition is provided during a nutrition consultation hour, which takes place at the Frankfurt locations when necessary. In addition, several free online trainings on the topic of healthy nutrition were organised in cooperation with medical airport service GmbH for the workforce working mainly in a mobile manner. The new offer of “Deka.machtfitt” also includes virtual cooking courses for the workforce, so that they can have healthy and aware nutrition.

Safety at work and medicine

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. These particularly include the regularly meeting Work Safety Committee as well as the systematically executed risk assessments for the identification and analysis of risks. The Corona pandemic that started in the first quarter of the year under review presented a number of challenges with regard to work safety. Numerous countermeasures were taken to protect the workforce from the virus and to minimise the risk of contagion; these especially include the short-term expansion of the option of mobile work as well as the implementation of the SARS-CoV-2 work safety standard required by the Federal Ministry of Labour and Social Affairs (BMAS) at all locations. These were successfully implemented for the German locations in cooperation of several organisational units and were confirmed by the company doctor on duty as well as the expert for work safety within the framework of a “Corona risk assessment”. Similarly, the location in Luxembourg underwent an examination by the Association pour la Santé au travail des secteurs Tertiaire et Financier (ASTF) and had itself successfully certified for the compliance with the Covid-19 safety measures by the company doctor as well as in terms of work safety. The concept included the comprehensive information of staff, e.g. through “Corona-FAQs” published on the Intranet as well as provision of hygiene products to employees.

As a result of the measures taken, there were only 47 confirmed Corona cases at the Deka Group in the year under review out of 4,541 employees; moreover, their infection was, as far as traceable, attributable almost exclusively to contacts outside of work.

All employees can obtain medical care from the company doctor; here, the focus is on prevention and health pro-

motion. The company doctor also conducts occupational health checks for all employees, during which the need for workplace glasses is determined among other things and travel-related vaccinations are refreshed. Managers of the Deka Group from the Department Head level have the option of having an extensive medical check-up every two years. In the year under review, the demand for the annual influenza vaccination increased substantially as compared to the previous year. At 576, the number of vaccine doses was around 20 percent higher than that in the previous year.

All employees are obliged to complete an online course on key aspects of work safety every two years; managers also get in-depth trainings. For individual activities, there is also a training on additional risks to be identified. Work-related hazards and dangerous situations can be reported at any time to the expert for work safety, the direct manager or the employee representatives.

Mental health

Even in the year under review, the Deka Group performed surveys in various business areas to systematically evaluate mental stress at work and to develop tailored offerings. As part of its further training programme, the Deka Group offers employees and managers various seminars on dealing with stress situations, for example the four-part lecture series “Stress Control” that was introduced in 2018. The further training programme for all employees includes, among other things, the seminars “Life balance/Resilience”, “Managing personal resilience, coping with stress, maintaining performance” and “Remaining capable of acting in change situations”.

Employees as well as their relatives, who are in a mental crisis situation, can get concrete support from external experts of a professional advisory service INSITE-Intervention. Within the scope of the Employee Assistance Program (EAP), the Deka Group employees can even obtain anonymous counselling. The EAP also offers expert advice to managers, management consultants and members of the staff committee or works council as well as Equal Opportunities Officers and disabled persons’ representatives. Psychological support can be obtained via the advisory service, particularly in the case of severe illnesses, while doctors can be consulted for a second or third opinion. INSITE also strives to mediate appointments with specialists without long waiting times. Even in the year under review, the experts from INSITE held numerous counselling sessions with employees. In total, around 7.1 percent of the employees used this service in 2020 (2019: 8.2 percent). The usage rate is thus slightly below the previous year’s level, but still at a stable value like before; this is mainly attributable to a high level of awareness about the offer. Even in the year under review, consistent with the current situation, a number of digital events could be organised to support the employees.

ILLNESS RATE ACTIVE EMPLOYEES (TABLE 15)

Deka Group in Germany (%)	2016	2017	2018	2019	2020
Women	5.3	5.9	5.7	5.5	4.3
Men	3.0	3.0	3.3	3.3	2.5
Total	3.8	4.0	4.1	4.1	3.2

REPORTED INJURIES (TABLE 16)

Deka Group in Germany (number)		2016	2017	2018	2019	2020
Commuting accidents		19	20	18	24	9
Principle causes are cycling accidents and injuries relating to black ice during the winter.	Location Frankfurt	19	15	14	24	9
	Leipzig	–	–	3	–	–
	Hamburg	–	–	1	–	–
	Düsseldorf	–	–	–	–	–
	Sales force (east)	–	3	–	–	–
	Berlin	–	2	–	–	–
Work-related injuries		6	6	7	8	9
	Location Frankfurt	6	3	6	7	6
	Leipzig	–	–	–	1	1
	Sales force (east)	–	–	1	–	2
	Hamburg	–	1	–	–	–
	Düsseldorf	–	1	–	–	–
	München	–	1	–	–	–

RATE OF DOCUMENTABLE WORK-RELATED INJURIES

Deka Group in Germany		2016	2017	2018	2019	2020
Rate of injury	Number per 1 million planned working hours	1.14	1.11	1.08	1.11	1.20

SALARY STRUCTURE ACTIVE EMPLOYEES (TABLE 17)

Deka Group in Germany (%)	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	female	male
Non-tariff (NT)	63.7	64.5	64.7	66.6	67.4	47.7	79.2
Tariff group (TG) total	36.3	35.5	35.3	33.4	32.6	52.3	20.8
TG 9	28.1	27.6	27.9	31.2	29.7	24.3	37.8
TG 8	21.6	22.4	22.5	20.0	21.4	21.6	21.1
TG 2–7	50.3	50.1	49.7	48.8	48.9	54.2	41.1

DekaBank supports employees in returning to work after a long or recurring illness within the framework of the professional integration management (Betriebliches Eingliederungsmanagement – BEM). For this, measures are pointed out that can help overcome the illness and prevent recurrence of the incapacity for work, in a personal conversation, which is voluntary for the persons concerned.

To support the employees during the Corona pandemic, DekaBank published numerous newsletters on topics such as “Child care at home”, “Mental balance” and “Good handling of conflicts” with useful tips for mobile working.

4.2.6 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.

Remuneration of the employees is calculated solely on the basis of function and performance and always 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 employees.

The remuneration of permanent employees is based on their qualifications and tasks. In the tariff area, the remuneration is currently at least according to tariff group 4 of the collective wage agreement for the private banking industry and the public banks and ends accordingly with tariff group 9. The remuneration of non-tariff employees is above tariff group 9. The non-tariff annual starting salary is 10.4 percent over the salary of tariff group 9 with eleven years of professional experience converted into twelve monthly salaries. The proportion of employees, who get non-tariff remuneration, has increased in 2020 to 67.4 percent (2019: 66.6 percent). Cf. **TABLE 17**

Based on the “Act to Promote Transparency of Pay Structures” (briefly “pay transparency act”), DekaBank informs its employees as to what they earn as compared to the peer group compensation of the other gender.

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 and other subsidiaries of the Deka Group, the variable remuneration may not exceed 100 percent of the fixed remuneration. This upper limit of the variable remuneration can, in accordance with § 25a para. 5 of the German Banking Act (Kreditwesengesetz – KWG), be 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 the Board of Management and all other employees of the institute in the year under review.

The Deka Group’s remuneration system promotes an adequate risk behaviour and penalises misbehaviour. For the risk culture of the Deka Group, in particular those parts of the remuneration are relevant, which create incentives to take or avoid financial risks, such as the bonus payments. With a view to the risk culture, the Deka Group aligns its remuneration policy such that it is in line with the risk profile of the institute or the Deka Group. The Board of Management or the managements of the subsidiaries

account for, approve and monitor the remuneration policy. The Board of Management, the managements of the subsidiaries and the upper levels of management ensure that the remuneration system of the Deka Group promotes ethical conduct and compliance with the law, the regulation and the internal guidelines. In addition, the variable remuneration depends on risk-adjusted figures.

The remuneration policy should also promote the achievement of strategic business goals and incentives for responsible and risk-conscious business behaviour of the employees. In the Deka Group, the effectiveness and appropriateness of the remuneration systems are controlled or monitored by suitable bodies and functions, such as the Remuneration Control Committee of the Board of Management, the Deka Group’s Remuneration Officers and the Remuneration Committee of the Deka Group. Fixed and variable remunerations are proportionate to each other. There is an appropriate proportion if, on the one hand, there is no significant dependence on the variable remuneration and negative incentives for entering into disproportionately high risk positions are avoided and, on the other hand, the variable remuneration can set an effective behaviour incentive.

The current risk situation of the Deka Group is taken into account within the scope of the remuneration at various points, such as the determination of the bonus pool, compliance with the rules of conduct, determination of risk-relevant employees or even remuneration parameters of the control units. In addition to the benefits provided by the employer under the collective bargaining agreement, the Deka Group also offers mainly capital-forming benefits, group accident and corporate travel insurance. Permanent employees also receive a largely employer-financed company pension (BVV). Details on pension obligations can be found in the consolidated financial statement.

The remuneration system for the members of the Board of Management basically corresponds to the remuneration principles for employees of the Deka Group and also takes into account applicable regulatory particularities 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. Detailed information is provided in the remuneration report of the Deka Group. Cf. www.deka.de/deka-group/investor-relations-en/reports-and-presentations

4.3 Corporate Citizenship

With the promotion of the common good, the Sparkassen-Finanzgruppe meets its public interest mandate of accompanying and promoting the economic as well as social development in Germany. As an institute of the Sparkassen-Finanzgruppe, even DekaBank is part of this long tradition of perceiving the social responsibility. By conviction, it enters into long-term funding partnerships and is involved in the fields of social engagement and sports, education and science, arts, music and architecture. DekaBank thereby supports renowned institutions at the company headquarters in Frankfurt am Main. It also promotes projects in association with other institutes of Sparkassen-Finanzgruppe, whose implementation is only facilitated by the merger. This commitment is complemented by the Deka art collection and the historical archive with Dekarium. Due to the Corona pandemic, many of the partners faced major challenges in the year under review. During this period, it was especially important for DekaBank to reliably stand by their side.

4.3.1 Objectives of corporate citizenship

Within the framework of the social engagement, DekaBank supports the socially significant work of numerous institutions from completely different fields and contributes to making sure that their varied offers are open to the diverse social groups. The partnerships aim at a long-term character and are characterised by intensive cooperation and exchange.

In the field of science and education, DekaBank not only wants to contribute to the financial education – for example through the Planspiel Börse (stock exchange simulation game) – but it also wants to promote the exchange between science and practice as well as to set own research priorities and thus, among other things, provide impulses for the further anchoring of sustainability aspects in the finance market. In addition, DekaBank can present itself as an attractive employer in the contact with scientists and students, and thus obtain qualified young professionals.

The commitment to arts, music and architecture focuses on the goal of making these cultural goods accessible to as many people as possible. These also include employees, who are often given special opportunities to use the cultural offerings. With the International Highrise Award (IHP), DekaBank has co-founded an internationally renowned award, which provides an impulse for the sustainable construction of the future.

The “Deka – Engagiert vor Ort!” (Deka – Making a local commitment!) and “Restcent” campaigns comprehensively involve the workforce or are rather conducted decisively through their commitment. In addition to the social purpose, high importance is also attached to the commitment and motivation of the employees.

4.3.2 Social engagement and sports

Freundeskreis Arche Frankfurt am Main e. V.

The “Arche” operates two children’s arks and a young people’s ark in Frankfurt am Main as well as a location with extended school services. In total, around 400 children and young people especially from socially disadvantaged backgrounds are cared for daily. The goals of the “Arche” are to encourage children with tender loving care, to promote their educational opportunities and thus to offer them a perspective for the future. Because of the temporary closure of the facilities due to the Corona pandemic, new digital and analogue ways of help had to be found at a very short notice.

Within the scope of the Federal Press Conference “Child poverty and exclusion in Germany” on the occasion of the 25th anniversary of the children and young people’s foundation, Bernd Siggelkow, Founder of “Arche”, and Dr. Georg Stocker, Chairman of the Board of Management of DekaBank, emphasised the necessity and great importance of the Arche’s work for children and young people as well as for the society.

Since 2008, DekaBank contributes to making sure that a large part of the operating costs of the “Arche” locations in Frankfurt is secured. The current agreement stipulates a support until 2022.

Deutsche Krebshilfe e. V.

DekaBank has been a reliable partner in the annual national golf benefit tournaments in aid of Deutsche Krebshilfe e. V. (German Cancer Aid – DKH) since 2006. Within the scope of this partnership, DekaBank, as a general sponsor, not only provides the prizes for the winners of the

tournaments, but also supports DKH with a donation of Euro 10,000. DKH finances its entire activities to combat cancer exclusively from donations and grants from companies and individuals. It promotes projects to improve the prevention, early detection, diagnosis, therapy, medical after-treatment and psychosocial care, including cancer self-help.

Despite the Corona pandemic, 97 of the 130 planned tournaments could be played in the year under review. In total, around Euro 245,000 were raised in 2020. Besides these financial proceeds, the organisation of the tournaments ensures nationwide visibility of DKH and its concerns. The cooperation with DKH is agreed upon until 2024.

German Olympic Sports Federation

Since January 2008, the DSGV is, with the participation of DekaBank and other affiliated companies, a partner of the German Olympic Sports Federation (DOSB) and thus Top Partner of the German Olympic Team. Since 2013, the partnership also includes the support of the Deutscher Behindertensportverband (German Association for Disabled Sports) and the German Paralympics Team. The goal is to increase the awareness about people with disabilities, to facilitate them an equal participation in the sporting life and to also push social processes beyond the sport. The Sparkassen-Finanzgruppe is also national sponsor of the Deutsches Sportabzeichen (German Sports Badge) and official sponsor of the elite sports schools. They help young athletes deliver top performance and, at the same time, acquire qualified education. The cooperation with the DOSB is valid up to 2024.

4.3.3 Education and science

Goethe University Frankfurt am Main

For decades, DekaBank is sponsor of the Goethe University Frankfurt am Main and has regularly extended its commitment. Among other things, it supports the "Association of Friends and Sponsors of the Goethe University" since 1968, the "Center for Financial Studies" since 1998 and the "Goethe Finance Association" since 2004. Since 2007, DekaBank regularly funds endowment chairs, which deal with current issues around the financial markets. At present, there are two endowed chairs at the House of Finance: the chair for "Sustainable Asset Management" with Prof. Dr. Alexander Hiller and the chair for "Sustainable Banking" with Jun. Prof. Dr. Özlem Dursun de Neef. The funding of the two endowed chairs ends in 2020 in accordance with the agreement. The goal of this cooperation is to closely link science and practice and to facilitate knowledge exchange particularly on topics that are of central importance for DekaBank, such as sustainability-oriented development of the finance and capital markets.

University of Applied Sciences for Finance

The University of Applied Sciences for Finance is the central education service provider of the Sparkassen-Finanzgruppe. Top-level scientists and practitioners train junior managers here in accordance with the standards and the value system of the Sparkassen-Finanzgruppe. Since 2020, DekaBank funds the endowment chair of "Banking regulation" at the university. In the year under review, Prof. Dr. Anja Schulz was appointed as professor. By funding the endowment chair, DekaBank commits to a topic, where climate- and sustainability-related aspects are significantly gaining importance (CF: **BACKGROUND: "ESG aspects of the banking regulation"**). In 2020, the Board of Management decided that DekaBank will bundle its commitment in the field of science promotion in the University of Applied Sciences for Finance from 2021 onwards.

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

Privates Institut für quantitative Kapitalmarktforschung – IQ-KAP (Private Institute for Quantitative Capital Market Research) is a science-based research institute. It was founded by DekaBank in 2013 with the aim to improve 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. Current publications and academic papers by authors, who are involved in the IQ-KAP, can be found on the IQ-KAP website www.iq-kap.de. In addition, IQ-KAP distinguishes excellent research work of students and graduates in the field of capital market research every two years.

Planspiel Börse (stock exchange simulation game)

By supporting the Planspiel Börse of the Sparkassen, DekaBank has been pursuing the goal of promoting securities culture and financial education since 2014. The game imparts the education in an exciting and practical manner to strengthen the economic and social skills of the participating scholars, trainees and students. The special rating of "sustainability" promotes future-oriented and responsible trading. In 2020, nearly 94,000 young adults participated in the 38th Planspiel Börse of the Sparkassen. The social media channels of the Planspiel Börse on Instagram, Facebook and YouTube were increasingly used to reach more young people and young adults. The support of the Planspiel Börse is determined until 2023.

4.3.4 Arts

MMK Museum for Modern Art Frankfurt am Main

The MMK Museum for Modern Art Frankfurt am Main has one of the most important international stocks of contemporary art. Since 2002, with an annual donation

of Euro 40,000, DekaBank contributes to ensuring that the MMK can further expand the collection. Dr. Georg Stocker, Chairman of the Board of Management of DekaBank, took over DekaBank's mandate in the board of trustees of Freunde des Museums für Moderne Kunst e.V. Frankfurt am Main in 2020. The partnership is agreed upon until 2022.

Since 2014, the MMK Museum for Modern Art has one more location in TaunusTurm, thanks to which the exhibition space could be significantly expanded. As founding partner of the so-called Tower MMK, DekaBank supports the exhibition together with other partners. The exclusively private financing of the Dependence is an example of an innovative and economic model of museum expansion. The cooperation is agreed upon until 2021.

Dresden State Art Collections

Since 2006, the Sparkassen-Finanzgruppe supports the Dresden State Art Collections (SKD) with the participation of DekaBank and it has been the main sponsor since 2011. In 2020, this agreement has been extended till 2022. The SKD is a museum association of 19 museums and research institutions, which have a high international recognition. Within the scope of the funding, the Sparkassen-Finanzgruppe regularly supports the SKD in realising large-scale projects. For example, in 2020, the Semperbau am Zwinger (Semper Building at the Zwinger) with the works of the world-famous Gemäldegalerie Alte Meister (Old Masters Picture Gallery) and the Skulpturensammlung bis 1800 (Sculpture Collection up to 1800) could be reopened after seven years of renovation. The goal of the partnership is to preserve the unique cultural heritage of the SKD and to raise its importance more strongly in the public awareness.

The museum's educational offer "S-Schülerlabor" (S-student laboratory) funded by the Sparkassen-Finanzgruppe is directly aimed at young people. The focus is on the art-historical classification of works of art and provenance research. With the materials research and analysis, the focus is on the integration of the MINT school subjects.

Foundation for Photography and Media Art with Michael Schmidt Archive

The "Foundation for Photography and Media Art with Michael Schmidt Archive" founded in 1999 has the goal of promoting photography and media art from 1970 onwards and preserving the work of artist Michael Schmidt, who died in 2014. Since 2003, the foundation is supported by DekaBank with donations; from 2015 to 2020, with an annual donation for the retrospective of Michael Schmidt im Hamburger Bahnhof – Museum für Gegenwart (Hamburg Railway Station – Museum of contemporary art) in Berlin originally planned from May 2020. Since the museum closed in spring due to Corona, the opening of the exhibition, which presents the entire

life's work of the artist for the first time, was postponed to August. The goal of the partnership is to refurbish the life's work of Michael Schmidt and to point out the artist's importance for contemporary photography and art.

4.3.5 Music

National Youth Orchestra

DekaBank and the supporters of the Stiftung Bundesjugendorchester (National Youth Orchestra) and Deutsche Musikrat (German Music Council) have agreed to collaborate up to 2023. In this context, the procurement of new musical instruments is also supported besides the youth orchestra work and talent promotion. The work phases and tours planned for the year under review on the occasion of the 250th birthday of Ludwig van Beethoven had to be cancelled due to the Corona pandemic. Alternatively, digital formats were developed and there was a Christmas concert for the Deka Group, which was broadcast live.

The National Youth Orchestra of the Federal Republic of Germany, which was founded in 1969, consists of young music talents between 14 and 19 years of age. Many of the orchestra members are winners of "Jugend musiziert", the most important youth competition for classical music in Germany; it has been supported by the Sparkassen-Finanzgruppe for over 50 years. The young talents play with renowned soloists and renowned conductors; in 2020, with Paavo Järvi. The goal of the partnership is to support the BJO in its role as a cultural ambassador of the Federal Republic of Germany.

Schleswig-Holstein Music Festival

Since 1986, the Schleswig-Holstein Music Festival (SHMF) with its around 200 concerts takes place every summer at various venues in Schleswig-Holstein and Hamburg. The Sparkassen-Finanzgruppe is the main sponsor of the festival; since 2020, with participation of DekaBank. In this context, the Sparkassen-Finanzgruppe honours internationally noted young musicians with the Leonard Bernstein Award since 2002. In 2020, it was given to the Greek flautist Stathis Karapanos.

In the course of the Corona pandemic, new digital and analogue music formats were developed in 2020 under the title "Sommer der Möglichkeiten" (summer of possibilities). Many artists were still affected by concert cancellations. To support them, SHMF e.V. has issued the relief fund "Das SHMF hilft" (SHMF helps). DekaBank participated with a donation here as well.

4.3.6 Architecture / International Highrise Award

The International Highrise Award (Internationaler Hochhauspreis – IHP) for the world's most innovative building was given for the ninth time in 2020. The award is

KEY FIGURES OF THE SOCIAL ENGAGEMENT (TABLE 18)



366,684 EURO

Deka funds for **education and science** in 2020

473,072 EURO

Deka funds for **culture** in 2020

123,075 EURO

Deka funds for **social engagement** in 2020

250,023 EURO

Deka funds for **sports** in 2020

TOTAL COMMITMENT (€)	2016	2017	2018	2019	2020
Education and science	498,689.84	473,968.00	497,284.00	441,285.85	366,684.00
Culture	421,839.00	522,500.00	617,155.60	478,850.00	473,072.00
Social engagement and sports	412,588.97	425,290.91	536,175.09	408,600.00	373,097.95
Miscellaneous	29,500.00	106,260.84	78,678.84	10,802.00	70,350.00
Total	1,362,617.81	1,528,019.75	1,729,293.53	1,339,537.85	1,283,203.95

STRUCTURE OF FUNDING (€)	2016	2017	2018	2019	2020
Donations	789,646.84	874,166.05	905,126.04	815,005.84	719,310.00
Sponsoring	572,970.97	653,853.70	824,167.49	524,532.01	563,893.95

endowed with Euro 50,000 and a statuette of the internationally renowned artist Thomas Demand. The winners use the prize money to promote young people in the field of architecture and urban planning. The award honours structures, which distinguish themselves through excellence in aesthetics, futuristic design, urban integration as well as innovative technology, economic viability, marketability and sustainable construction. An international jury of experts decides about the award. The IHP that is given every two years is the world's most important architecture prize for highrise buildings.

In 2020, the "Norra Tornen" twin towers in Stockholm/Sweden received the IHP. The high-rise residential building convinced the jury with timeless landmark architecture offering affordable living space. Due to the Corona pandemic, the award was presented in a digital ceremony, which was broadcast live from St. Paul's Church, Frankfurt.

The IHP was initiated in 2003 by the city of Frankfurt, with Deutsches Architekturmuseum – DAM (German Architecture Museum) and DekaBank. Since then, it is organised and financed in partnership. In 2020, the cooperation has been extended till 2024.

4.3.7 Donations

In the year under review, the Deka Group donated a total of Euro 719,310.00 (2019: Euro 815,005.84).

Cf. TABLE 18. The largest of the total 88 single donations

went to the Goethe University and the foundation of Christian children and youth work "Die Arche e. V." in Frankfurt and the National Youth Orchestra. Environmental protection is also increasingly coming into the focus of the donation commitment: among others, donations were made to DBU Naturerbe, a subsidiary of the German Federal Environmental Foundation, for the renaturation of water bodies in the Wahner Heide nature reserve as well as an environmental project in Westmünsterland, which is committed to the protection of orchid meadows.

Within the scope of the initiative started by the Federal Ministry of Education and Research, Deka Immobilien Investment GmbH also gave a Deutschlandstipendium (Germany scholarship) in 2020 in cooperation with various colleges. This supports academic success and social commitment of students financially.

In the course of the "Deka – Engagiert vor Ort!" employee campaign, more donations were made in the year under review. 25 facilities, which are close to the hearts of employees or in which they are involved themselves, were supported with a donation of Euro 1,000 each. The goal of the campaign is to promote the individual commitment of the employees and their loyalty to the company. By often supporting organisations, in which the employees are involved themselves, the campaign also reflects DekaBank's appreciation for the volunteering of its workforce.

In the year under review, the Restcent campaign was also continued. Here, employees of the Deka Group can donate cent amounts of their monthly salary. DekaBank ensures the organisational implementation of the donation. At the end of the year, a non-profit organisation selected by the employees in advance benefits from the total amount. A new recipient is selected every year. In the year under review, they selected Ambulanter Kinder- und Jugendhospizdienst Frankfurt/Rhein-Main (ambulatory hospice-service for children and young people). On average, 1,262 employees donated the cent amounts of their income in 2020. Thanks to their commitment, a donation amount of Euro 7,235.97 could be achieved in the year under review. Since this campaign is a private commitment of the employees, this amount is not listed in the total amount of donations of the Deka Group.

The Deka Group awards donations to charitable, church and benevolent institutions, which are entitled to issue tax donation certificates. Many of the above-mentioned long-standing partners receive the funding amount as a donation. Donations to political parties, political foundations, employer associations or unions are basically excluded and were not made in the year under review.

Donation requests to the Deka Group are processed by the Sustainability Management Department and are documented in the central donation register of DekaBank. The divisions of Finance, Compliance and Taxes can any time check the donation register.

4.3.8 Art collection and historical archive of DekaBank

Deka art collection

Since 2003, DekaBank has been building up an internationally oriented collection with currently over 1,400 works of contemporary art. It focuses on works, which address relevant social issues and stimulate debate about the current definition of art. In the continuation of the collection, new generation of artists is particularly taken into account. To enable the dialogue about art, regular events take place in connection with the art collection.

As a mirror of the society, the art collection is an important part of the corporate culture and stands for the social commitment of DekaBank. The works are presented in the foyers and corridors of the Trianon highrise building in accordance with conceptual aspects and thus allow everyday encounters with art in the company. In addition, works of the art collection are loaned to museums and institutions free of charge on a regular basis.

Historical archive and Dekarium

Since 2003, DekaBank has built up a historical archive, which currently maps the history of DekaBank and its

predecessor institutions on around 300 shelf meters. The goal of the archive is to document the development of DekaBank and its close historical link with the German economy as well as with the savings banks.

To also make this unique knowledge accessible to the employees of the S-Finanzgruppe as well as to the Deka Group employees, the "Dekarium" was opened in 2018 on the occasion of the 100th anniversary of the Deka Group as an experience space for history. The interactive exhibition is integrated into the historical backdrop of the former customer locker system of the company's Frankfurt headquarters – the Trianon.

Since 2018, more than 3,500 visitors could already be familiarised with the history and the roots of the Deka Group through exhibitions. For reasons of infection prevention, exhibitions had to be stopped for the time being from March of the year under review.

More information about Deka Group's engagement can be found under www.deka.de/deka-group/our-responsibility/our-commitment.

BACKGROUND

ESG aspects of the banking regulation

When the EU Commission published its Action Plan on Financing Sustainable Growth in March 2018, it was not – as partly perceived – the go-ahead for stronger anchoring of sustainability criteria in the finance market, but only a further step in this process. Since 2017, larger capital market-oriented companies have already been obligated, for example, to publish a non-financial statement once a year, in which they should report as to how they deal with climate and environmental protection among other things. This obligation that is relevant for many banks was followed by other regulatory specifications, recommendations and expectations, which, from the point of view of the banks and asset managers, can be divided into a direct and an indirect regulation. While direct regulations have a direct impact on the structures, processes and measures of the finance market actors, indirect regulations define specifications for their customers – especially the companies of the real economy and the institutional customers.

**The ECB expects, the BaFin recommends
– extended requirements for the handling
of climate and sustainability risks**

The “Leaflet about the handling of sustainability risks”, which was published by the Federal Financial Supervisory Authority (BaFin) in December 2019, is the central document for the direct ESG or climate-related regulation for the majority of German banks. In view of the effects of climate change and the comprehensive political activities to combat its causes and consequences, the BaFin has therein emphasised the handling of the physical and transitory risks of climate change. The title of the leaflet however refers to the fact that expansion of the recommendations to additional environmental topics and social aspects can be expected in future.

The BaFin defines sustainability risks in its leaflet as “Events or conditions from the fields of environmental, social or corporate governance, whose occurrence can actually or potentially have negative effects on the asset, financial and profit situation as well as on the reputation of a regulated company.” It thereby clarifies that sustainability risks are not a separate risk type, but must be considered as a sub-aspect of known risk types, i.e. for example the credit or market risk. Regarding the handling of these risks, the BaFin formulates a series of concrete “recommendations” in the leaflet, mainly for the business organisation, for risk strategy and management as well as for the risk analysis and classification. Even if the BaFin speaks of “only” recommendations, it has already announced that it wants to systematically record and address sustainability risks from 2021 through the existing supervisory instruments.

In the spring of the year under review, the BaFin leaflet was followed by the “Guide to climate and environmental risks – supervisory expectations with reference to risk management and disclosures” of the European Central Bank (ECB). The

ECB therein urges the banks to record these risks systematically and integrate them in their structures and processes, as they are drivers of the existing risk types and can have extensive impact on the real economy as well as on the banks.

Instead of “recommendations”, it formulates “expectations” for systematic handling of these risks by the banks. In its guide, even the ECB primarily relies on physical and transitory risks, but focuses the contemplation on climate and environmental risks. The formulated expectations relate to four fields of action: business model and strategy, governance and risk appetite, risk management as well as transparency and reporting (“disclosure”). In the guide, the ECB mainly explains as to how banks should take into account climate and environmental risks in their frameworks for governance and risk management as well as in the definition and implementation of their business strategy. In addition, expectations for improved disclosure of information on climate and environmental risks are formulated, through which the banks should increase their transparency to these new risks. The ECB has prepared the guide such that it fits into the framework set by the applicable European and national law.

Even in the guidelines of the European Banking Authority (EBA) on lending and credit monitoring, requirements for the consideration of ESG criteria in the lending business are formulated for the first time. The EBA expects the banks – even against the background of already existing national initiatives – to develop an institution-specific definition of ESG and ensure the consideration of corresponding criteria in the credit risk management.

**Increasing requirements for the ESG transparency
and quality for asset management**

For banks, which like DekaBank also offer services in the field of capital investment and asset management, even the direct regulations for this field are relevant. These currently include, in particular, the measures associated with the EU Action Plan on Financing Sustainable Growth.

Cf. BACKGROUND: “Developments in the EU Action Plan on Financing Sustainable Growth”

With the Action Plan, the EU Commission wants to divert the capital of private and institutional investors into sustainable capital investment. For this purpose, it especially relies on two levers: on the one hand, investors should be better informed about the possibilities of sustainable capital investment; on the other hand, they should be able to better assess its sustainability-related quality. Among other things, the introduction of the mandatory ESG preference query (MiFID II), within whose framework investors must in future be actively asked as to whether they want to consider sustainability criteria during their capital investment, serves the first goal. Surveys show that

between 70 and 80 percent of private investors do not yet know about this option of capital investment. Thanks to the new active query, this proportion will reduce significantly in the coming years. Within the scope of the disclosure regulation, finance market participants are obligated to provide the investors with ESG-related information via the specified media. The regulation makes a distinction between company- and product-related disclosure obligations and, for specific products, creates a link with the EU taxonomy.

When it comes to quality, the EU Commission relies on a whole package of measures. For example, with the addressed EU taxonomy of sustainable activities, it has created a uniform basis for the determination of the sustainability quality of investment products. An EU Ecolabel for financial products should in future inform investors as to whether or which investment products meet the requirements of the label that are also based on the EU taxonomy. Moreover, new climate-related benchmarks – the EU Climate Transition Benchmark (EU CTB) and the EU Paris-Aligned Benchmark (EU PAB) – should allow the investors to assess the climate compatibility of investment products.

Customers of banks and asset managers in the regulatory focus

Besides this direct regulation, even the new climate- and sustainability-related specifications are relevant for banks and asset managers for their customers. On the part of the real economic business customers, it is especially the European and national climate legislation that creates challenges for the companies. Practically all sectors will be affected by a climate policy based on the Paris 2-degree limit. In some sectors, the current business model is at issue as a whole, for example, for operators of fossil power plants. In other sectors, the systems and technologies used today, for example the fossil fuel combustion engine, can no longer be used. These developments affect the business and income potentials of companies and thus their creditworthiness. Thus, the risks associated with climate change and its prevention also become directly relevant for the lending banks. At the same time, the banks can play a central role in the financing of investments that are required for the transformation of the companies into a climate-compatible and resource-conserving economic approach.

For the asset managers, there is, among other things, the challenge of keeping an eye on the relevant developments among the institutional investors. These include, for example, the integration of sustainability criteria in the specifications for pension funds (EbAV II) as well as an appropriate reform of the Shareholders' Rights Directive (ARUG II). Although this does not directly address the topic of sustainability or ESG, it obligates shareholders to monitor the companies co-owned by

them in view of “important matters”. There is little doubt that these also include environmental and climate aspects, for example in the case of the energy suppliers and automobile manufacturers. Pension funds and other investors falling under these regulations, will demand contributions to their fulfilment from their asset managers.

G — GOVERNANCE

5. Sustainable corporate governance

After the publication of the leaflet about the handling of sustainability risks by the BaFin in December 2019, even the European Central Bank (ECB) published its expectations for the handling of climate and environmental risks in the spring of the year under review. Both institutions require the banks to systematically deal with climate, environmental and sustainability risks within the scope of their risk management. In the year under review, DekaBank laid important foundations for this purpose. Another mega-trend, the digitalisation of the financial sector, also creates challenges for the banks – especially even in view of the data protection and information security. The “Information security” section, which was integrated into the sustainability report for the first time, gives a detailed insight into the measures implemented by DekaBank within the scope of its Information Security Management System based on the requirements of ISO 27001.

5.1 Regulations and standards

Code of ethics

The Deka Group’s code of ethics that was last updated in 2017 serves as a binding orientation framework for an ethically and morally correct appearance and action of the employees, managers, board members and for third parties acting on behalf of the Deka Group. The code is available in its current version on the Deka Group’s website.

It is determined in the preamble to the code of ethics that within the scope of the employee appraisal, the managers and employees shall jointly check as to whether the conduct complies with the code of ethics. For this, the annual performance appraisal of the employees was supplemented with the “Evaluation of good conduct according to the code of ethics” component. This evaluation is included in the calculation of the variable remuneration. Particularly serious violations of the code of ethics can result in measures under the labour law, civil and criminal proceedings, up to the termination of the contractual relationship.

External regulations and standards

Besides internal code of conduct, even the acknowledgement of national and international standards underlines the Deka Group’s commitment to sustainable development. This includes the signing of the UN Global Compact and the related obligation to implement ten principles of responsible corporate governance. They refer to the topics of human and labour rights, environmental protection and fight against corruption and thus to the aspects that are also defined in the CSR-RUG as relevant aspects.

DekaBank has also committed to the compliance with the Equator Principles (EP), which focus on the consideration of social and environmental standards in international project financing. In 2020, DekaBank accompanied a total of six (2019: 6) financings under the specifications of the EP, thereof three new project financings and three increases in the existing financing commitments. The new project financings were all (2019: 5) classified into the B category (limited social and environmental impact). In the previous year, one project was also classified into the A category (increased social and environmental impact). DekaBank reports annually on the implementation of the principles in the relevant financings according to the EP regulations. The corresponding report is published on the EP website. More information on the consideration of sustainability criteria in the lending business can be found in **chapter 4.1.2**.

The signatories to the PRI are obligated to comply with a total of six principles for responsible capital investment. These include, among other things, the inclusion of ESG topics in the analysis and decision-making processes in the investment sector, the consideration of ESG criteria within the scope of an Active Ownership as well as the regular reporting on the measures to implement the principles within the framework of the Transparency Report, which is available on the PRI website. Starting with the reporting for the year 2020, the signatories to the PRI, like Deka Investment GmbH, are obligated for the first time to report on climate change-related indicators within the framework of their Transparency Report. The recommendations of the TCFD form the basis for the corresponding reporting. Exceptions apply to institutes, which have joined the PRI in 2020 like DekaBank (**cf. chapter 4.1.1.2.1.3**). They are obligated to publish a corresponding Transparency Report only in 2022 – for the year under review 2021.

5.2 Compliance and taxes

5.2.1 Compliance

Compliance contributes significantly to the fact that the Deka Group acts in compliance with the respective valid legal and supervisory regulations. On 01.10.2020, the Tax Compliance unit with its tasks and responsibilities was dissolved out of the Compliance department and shifted into the central division of Finances in the new Tax Compliance Office. The reporting on this will take place in the Deka Group's Annual Report for 2020. The topics of Capital Market and Real Estate Compliance, Central Department for Financial Crime as well as Corporate Compliance are thus summarised in the central division of Compliance. The Central Department for Financial Crime combines the fight against money laundering, the defence of terrorism financing, measures to prevent fraud, to fight against criminal acts and to fight against corruption as well as the implementation of financial sanctions and embargos.

The Central Division of Compliance develops group-wide standards and guidelines for the Deka Group in the assigned topics based on applicable legal and supervisory requirements. It also supports the organisational units in DekaBank as well as the subsidiaries concerned with corresponding trainings and advice in the implementation and realisation of corresponding regulations. Moreover, the division is regularly involved in projects and processes – especially in new product/market processes, in considerable changes in the process organisation and organisational structure as well as in the outsourcing – to make sure that the Deka Group fulfils the regulatory requirements as well as identifies any conflicts of interest at an early stage, avoids them as far as possible or discloses ultima ratio.

Procedures and checks in the specialist units as well as within the Compliance unit itself help prevent and detect irregularities and are an integral part of the Compliance Management System of the Deka Group. In order to identify potential compliance and conduct risks and to work towards their reduction using suitable measures, the division also undertakes monitoring and control tasks as a second line of defence in the so-called "Three lines of defence model (TLöD)".

The Corona pandemic and the related relocation of activities into the home office had no negative effects on the functioning and thus the work of the central division. At the same time, the central division has actively accompanied the changes in processes within the Deka Group triggered by the pandemic and its consequences and comprehensively evaluated, consolidated and followed up relevant documentations on changes. Thereby, on-site inspections could be replaced with appropriate technical alternatives. A review of the relocation of sensitive activities of the employees into the home office revealed no complaints.

Consulting and training

The application and implementation of the regulations and processes for complying with the legal and supervisory requirements often start with the individual employees. In order to inform the employees about aspects that are relevant for them, the experts of the compliance division conduct regular mandatory trainings in the entire Deka Group on the assigned topics. The training concept is based on the combination of classroom trainings with web-based trainings, specialised trainings and correspondence trainings. If necessary, ad-hoc trainings are also offered on selected topics. In the year under review, classroom trainings were replaced with virtual formats.

Even in 2020, all new employees have completed an initial training on the topic of Compliance. All employees are also obligated to complete web-based trainings on the topics of prevention of money laundering, prevention of fraud, financial sanctions/embargoes as well as capital market compliance in a prescribed cycle. Another topic was introduced in 2020: a training on the topic of risk culture, which is also mandatory for all employees of the Deka Group. In total, 61 trainings (including web-based trainings) on Compliance topics were conducted in the year under review.

Fight against fraud, corruption and bribery

DekaBank has uniformly regulated the essential elements and principles including the associated processes and measures for an effective fraud prevention system for the prevention of other criminal acts, which may endanger the assets of the institution or of the individual companies, in the "Fraud prevention system of the Deka Group".

In addition, the framework conditions, under which gifts and invitations as well as the granting of any other benefits from and to third parties may be accepted or declared, were defined for the Deka Group in connection with the fight against corruption. The approval process has been bindingly defined for all employees including the Board of Management.

In principle, employees may demand or accept or grant gifts or invitations neither for themselves nor for third parties in connection with their activity if this could affect the interests of the Deka Group or its customers. The granting of gifts and invitations is, as long as they correspond to the applicable laws and standards, consistent with the usual market practice up to a certain extent. However, since this could concern the professional independence of all parties involved, the employees must avoid even the mere appearance of conflicts of interest.

The experts of the compliance division are available to all employees as a point of contact if they have questions about integrity issues. Their contact details are communi-

cated to the employees when joining the company within the framework of the induction training for new employees and can always be found in the Intranet.

The corruption risk was surveyed and evaluated for the Deka Group within the framework of the so-called Fraud Prevention Forum. The overall assessment still shows a low risk. In 2020, no information was available to indicate that the law enforcement authorities investigated the employees due to corruption offences.

Prevention of money laundering and terrorism financing

Through the “Group-wide minimum standards for the prevention of money laundering and terrorism financing”, DekaBank, as superior company, defines the duties to be observed within the meaning of the Money Laundering Act (Geldwäschegesetz – GwG) and the German Banking Act (Kreditwesengesetz – KWG) on the basis of the annual risk analysis. This ensures the transparency about customers and the underlying shareholder structure in Germany as well as in the subsidiaries. The overall risk of the Deka Group with regard to money laundering and terrorism financing was classified as low on the basis of the annual risk analysis.

In the year under review, the Deka Group integrated the new requirements of the 5th EU Money Laundering Directive into its processes and procedures. Particularly noteworthy here are the queries and messages to the Transparency Register within the framework of the customer acceptance process as well as the implementation of the process for the identification of so-called high-risk third country investments within the scope of the compliance with the enhanced due diligence obligations. The implementation of a technical solution for monitoring of sanctions on assets was started in the year under review.

Whistleblower system

The whistleblower system is part of the compliance system in the Deka Group. This makes sure that information from employees as well as from external persons about potential and actual violations of essential legal regulations and provisions, especially also of the Money Laundering Act as well as illegal or dishonest acts, can be confidentially reported to the external ombudsman of DekaBank. The ombudsman checks the facts and forwards the relevant information to DekaBank while maintaining confidentiality. Her/she, as lawyer, is subject to the professional obligation of confidentiality. The anonymity and protection of whistleblowers is thus ensured through the whistleblower system.

5.2.2 Taxes

Taxes are the most important source of income of a country for the fulfilment of its sovereign tasks, especially of the comprehensive public service for the citizens.

Taxes therefore also serve for the fulfilment of the tasks associated with sustainable development of the countries, for example as defined in the Sustainable Development Goals (SDGs) of the United Nations. For the Deka Group, these form an important reference for the alignment of its sustainability-related goals and measures.

As part of the Sparkassen-Finanzgruppe with its funding body under the public law, the Deka Group considers the respective applicable tax requirements against this background comprehensively and for all relevant business activities as well as in all of its companies. Wherever it operates, the Deka Group complies with the respective applicable tax laws and regulations with reference to its own tax liabilities as well as all offered banking services and products. As per occasion, the Deka Group communicates with the respective competent tax authorities actively, transparently and constructively.

Tax evasion is illegal and contradicts our corporate culture as well as our values and beliefs. The Deka Group has its own whistleblowing system (cf. chapter 5.2.1). DekaBank has also appointed a Compliance Officer and implemented a group-wide model of “Three Lines of Defence”, the observance of which is thus also mandatory for all branches and companies of the Deka Group. The Deka Group is also setting up a Tax Compliance Management System (Tax CMS), which will be certified according to the principles of proper auditing of Compliance Management Systems of the Institut der Wirtschaftsprüfer (IDW PS 980). This system includes the definition of sanctions in case of violations of tax-related requirements or of the tax-related principles of the Deka Group. The requirements of the law on the fight against tax evasion (“StUmgBG”) are also met by the Deka Group. It thus ensures a high level of transparency about dominant business relationships of domestic taxpayers with partnerships, corporations, associations of individuals or assets having their registered office or management in countries or territories that are not members of the European Union or of the European Free Trade Association. Even the requirements of the 6th Directive on the amendment of the EU Mutual Assistance Directive ((EU) 2018/822; briefly: DAC 6) are implemented by the Deka Group. Through the comprehensive application of the reporting obligation on cross-border tax structures that have certain characteristics of aggressive tax arrangements, it contributes to identifying and reducing tax evasion and transfer of profits.

The views and concerns of the stakeholders have a special meaning for the Deka Group and are firmly anchored mainly in the code of ethics, which also indirectly affects tax matters. In addition, DekaBank is in a direct, close professional exchange on tax-related topics with the tax authority, the HMdF (Hessisches Ministerium der Finanzen [Hessian Ministry of Finance]) as well as the BMF (Bundes-

ministerium für Finanzen [Federal Ministry of Finance]). Indirectly, DekaBank can express its position on certain tax issues through the associations, e.g. DSGV, BVI, VÖB (Bundesverband Öffentlicher Banken Deutschlands [Association of German Public Banks]) and DDV. More professional exchange opportunities on tax circumstances of DekaBank can be realised through own opinions, contributions and the participation in working groups of the associations, especially if DekaBank and/or its stakeholders could be affected by the tax law changes or their interpretation.

The Deka Group is obligated for a full, accurate and timely tax reporting for the fulfilment of external reporting obligations. This includes, among other things, the publication of tax information in the IFRS consolidated financial statement, which contains information about the income taxes, as well as the country-by-country reporting. The documents are regularly published on the DekaBank website. The tax burden published in the IFRS consolidated financial statement is regularly over the statutory tax rate. The increased tax burden is, in particular, attributed to the non-deductibility of the German bank levy. This effect is partially compensated by the application of the lower tax rate for the Luxembourg companies. In this respect, even the IFRS consolidated financial statement shows no evidence of tax savings. The services within the DekaBank Group are basically offset according to their causes using the Cost-Plus method, whereby the specific profit mark-up is defined by the tax department. In justified exceptional cases, a deviation is made from the Cost-Plus method in favour of the Profit-Split method. In all its decisions, the tax department is guided by the internationally valid transfer pricing rules and strives for methodically correctly derived and thus proper transfer prices, which are acceptable in all treasuries involved. In Germany, the transfer prices are reviewed annually within the scope of the timely company audit, regularly represented by the Federal Central Tax Office. Cf. www.deka.de/deka-group/investor-relations-en/reports-and-presentations

5.3 Risk management

In compliance with the supervisory expectations, even DekaBank does not consider sustainability risks as an independent risk type, but as a cause or amplifier of existing risks and thus as an interdisciplinary topic for “Financial” as well as “Non-Financial Risk” (NFR) similar to the reputational risk. In this sense, the classification of sustainability risks in the risk taxonomy of the Deka Group was sharpened and a systematic survey was carried out within the scope of the risk inventory.

In principle, relevant risks that result from sustainability aspects must be taken into account in the corresponding

risk management processes of the relevant risk types. For a step-by-step set-up of systematic management of sustainability risks, a suitable risk management cycle was first designed for a selected business segment in 2020 under consideration of supervisory expectations.

Experiences, which are gathered within the scope of the implementation of the concepts developed, should be taken into account during their subsequent implementation in other business segments. The fact remains that all important risks are intensively discussed in the Risk Management Committee and are reported to the Board of Management and the relevant supervisory boards.

5.4 Data protection and information security

5.4.1 Data protection

Basics and organisation

The data protection unit of DekaBank ensures that the data protection regulations of the General Data Protection Regulation (GDPR) and of the Federal Data Protection Act (BDSG) as well as other data protection-relevant provisions are complied with in the Deka Group. The unit organisationally comes under the Information Security Management Department and has five other employees besides the Data Protection Officer and his/her deputy. The Data Protection Officers are appointed for DekaBank and its domestic subsidiaries – except the subsidiary S Broker AG & Co. KG, which has a separate Data Protection Officer. There is a regular exchange with the Data Protection Officer of S Broker AG & Co. KG in order to ensure a uniform level of data protection. The Data Protection Officers are supervised in the fulfilment of their duties from art. 39 GDPR and have a direct reporting line to the Board of Management or to the Managements of the German subsidiaries.

Goal of the GDPR and the BDSG is to prevent an individual's constitutionally protected personal rights from being affected due to the handling of his/her personal data.

A data protection management system was established in order to implement the requirements of the GDPR as well as of the BDSG. Among other things, this system defines processes to ensure that the legal requirements of data protection are implemented in the planning, set-up, operation and after decommissioning of the processing. The processes were documented in a comprehensive data protection concept. This mainly describes the aspects that should be taken into account during the processing of personal data. These especially include protection of the rights of the person concerned as well as fulfilment of the information obligation vis-à-vis customers as well as employees. The systematic monitoring of the relevant developments was again expanded in order to respond even faster to

changes in the regulatory requirements for the data protection management. In a next step, the data protection management system will be transferred to the foreign locations of DekaBank, whereby the applicable national legal standards on data protection will be taken into account.

Raising awareness and information of the employees

The tasks of the Data Protection Officer include raising the employees' awareness on questions of data protection and providing them with the relevant information on the topic of data protection. On the one hand, this includes fulfilment of the information obligations pursuant to art. 13 and art. 14 GDPR in order to inform the employees as to whether and how their personal data are processed. On the other hand, employees must be made aware about avoiding unsafe acts, for example by explaining the most important requirements under the data protection law as well as the data security measures.

Pursuant to art. 39 para. 1 lit. a) and lit. b) GDPR, Data Protection Officers must familiarise all employees involved in the processing of personal data with the goal and content of the data protection provisions. In this context, Deka Group employees are obligated in writing to observe confidentiality pursuant to the GDPR.

Their rights and obligations as acting persons in the data protection as well as the risks for the company and for them associated with a violation of the applicable regulations must also be explained to them. This also includes information about possible sanctions as a result of violations of the measures to ensure compliance with data protection and data security.

The web-based training (WBT), with which employees are trained on data protection at their own PC workplace, has proven to be particularly efficient in recent years. Upon successful completion, a certificate of participation is automatically generated, which serves as proof of training. All employees are regularly invited to familiarise themselves with the principles of data protection with the help of the WBT.

In order to ensure permanent awareness, there is an annual mandatory follow-up training of all employees. This goal is also supported by the appointment of Data Protection Coordinators in the individual departments, who should ensure rapid and targeted dissemination of information.

Audits and reporting

Pursuant to art. 39 para. 1 lit. b) GDPR, the Data Protection Officer is responsible for monitoring the compliance with the data protection regulations of the GDPR and the BDSG as well as other data protection-relevant provisions in the Deka Group. This is done mainly through data protection checks in the specialist units. To ensure compliance with

the provisions under the data protection law, the data protection unit has created a control universe and a multi-year audit plan, which is based on the risks of the processing activities. In 2020, the data protection checks were carried out properly according to the multi-year plan. The results are transparently shared with the specialist units; if necessary, remedial measures are agreed upon and followed up. In the year under review, one justified complaint related to the protection of customer privacy or the violation of data protection was received.

Within the scope of an established reporting system, the Board of Management and the respective Managements of the subordinate companies are informed about detected data protection defects and risks as well as about the results from data protection audits. There also is a weekly *jour fixe* with the risk management to discuss current data protection issues as well as quarterly reporting in the entire Board of Management on current data protection issues. In the year under review, the quarterly and annual reports were developed further in terms of content, in order to ensure better information of the Board of Management about potential data protection risks and resulting optional measures.

5.4.2 Information security

Information Security Management System based on ISO 27001

The Information Security Management System (ISMS) of DekaBank includes guidelines, structures and processes as well as technical functions, which should ensure appropriate handling of information risks. It is the goal of DekaBank to protect the bank as well as its customers and partners from information risks and to thereby ensure the protection goals of confidentiality, integrity and availability for business and customer information.

The central control of information security lies with the Information Security Officer of DekaBank, who has a direct reporting line to the Board of Management. Based on the information security strategy of DekaBank, he/she determines appropriate security guidelines to achieve the defined security level for the entire Deka Group, which also apply for the relevant service providers of DekaBank. When designing measures, the ISMS follows the requirements of ISO 27001, an internationally recognised standard for information security.

When defining methods and procedures for information security, DekaBank maintains contacts with security organisations, state authorities, industry associations and coordinates with other banks from the Sparkassen-Finanzgruppe to identify risky developments in the field of information security at an early stage and to respond to them. The exchange also contributes to keeping the approaches and methods for ensuring the information security up-to-date.

Internal and external monitoring actions

To detect and prevent cyber threats, requirements for information security were established in DekaBank at the levels of data, applications, systems and infrastructure and thus for all areas of action required by ISO 27001. The compliance with the requirements in the companies of the Deka Group as well as among the service providers is regularly checked in order to identify information risks at an early stage and to deal with them appropriately. Moreover, an external review based on the ISO 27001 standard is carried out every two years in order to verify the functioning and effectiveness of the ISMS. A certification of the ISMS going beyond these checks was so far omitted for cost/benefit reasons, since it is currently not preconditioned by the customers and also, since it does not yet appear usual in the sector comparison. This approach is however continuously questioned and will, if necessary, be adapted in future.

Training and awareness measures

All employees of the Deka Group are responsible to ensure compliance with the guidelines and procedures of information security. To increase the awareness of information risks and to inform about new developments, all employees are regularly trained on the handling of these risks and on ensuring information security.

Business Continuity Management

DekaBank operates an efficient Business Continuity Management (BCM), through which the continuation of time-critical business processes in the event of an emergency is ensured. Besides the appropriate emergency preparedness, this also takes into account the management of crisis situations. The focus is on four possible failure scenarios:

- Infrastructure failure (e.g. building)
- IT system failure (e.g. applications and office communication)
- Staff failure
- Service provider failure

These scenarios also include possible climate change-related events.

For the systematic identification of risks, all business processes are regularly reviewed within the framework of a Business Impact Analysis (BIA) in view of the potential impact of the scenarios. If necessary, measures are taken and resources are provided in order to reduce downtime risks and their possible consequences. For example, time-critical applications are hosted redundantly in the data centres. For all time-critical processes and resources, the specialist departments prepare emergency or business continuity plans and update them at least once a year. These include alternative procedures for the failure of a resource as well as the return of the affected process into normal operation.

All measures are regularly checked for their effectiveness and appropriateness and are tested practically. The tests include all four failure scenarios, so that e.g. the alternative locations and IT solutions specified for the building failure can be examined for their functionality. In addition to the internal tests, the service providers of DekaBank are also examined to make sure that, for example, IT service providers can guarantee the contractually agreed availability times for the respective applications in emergency situations. In addition, within the scope of annual risk-oriented BCM audits of the service providers, it is checked whether they are able to provide their services continuously.

5.5 Complaint management

The Deka Group has implemented a management system for customer complaints, which ensures an effective as well as transparent procedure for handling complaints. It mainly regulates that incoming customer complaints should be immediately forwarded to the competent specialist unit and processed there. Comments and suggestions for improvement from the complaints can also be recorded here.

The European Commission has set up a European online dispute resolution platform, which can be used by consumers for out-of-court settlement of disputes arising from online purchase or service agreements. Customers also have the option of contacting the consumer arbitration board of the DSGVO and the ombudsman's office of the BVI as well as the Federal Financial Supervisory Authority (BaFin) or the Luxembourg Supervisory Authority Commission de Surveillance du Secteur Financier (CSSF) with their complaints. In the year under review, the Deka Group received 51 complaints (2019: 26) through these ways.

In the reporting period, there were no complaints related to ecological topics that were submitted through formal procedures. There also were no complaints on the topics of corruption and human rights impact of the Deka Group's activities. Within the scope of the customer satisfaction analysis of the F.A.Z. Institut from August 2020, DekaBank was the only custodian bank to be assessed with "Excellent customer satisfaction".

DEVELOPMENT OF THE NUMBER OF COMPLAINTS
(TABLE 19)

	31 Dec 2018	31 Dec 2019	31 Dec 2020
Number of complaints	6,371 *	4,700	4,077

* for the first time from 01.01.2018, including complaints from customers of S Broker AG & Co. KG as well as customer complaints of Deka Vermögensmanagement GmbH from 01.04.2018.

5.6 Ideas management

The ideas management of DekaBank for the Deka Group takes place through a web-based platform, where employees of the Deka Group can submit their ideas to improve processes or for new products and services. The Crowd-Sourcing approach of this platform facilitates the employees' active participation in the further development and evaluation of the published ideas. Even indications of possible problems and risks are helpful for the relevant specialist division, which decides as to whether an idea is implemented. Besides the Deka Group, 30 other savings banks or affiliated institutions currently use the platform developed by DSGV, DekaBank and Sparkassen-Finanzportal for their ideas management.

In the spring of 2020, an ideas competition was held under the motto #GemeinsamBesserArbeiten (work better together) for further development of the structure of joint work within the Deka Group. In total, the employees submitted 26 ideas; the jury awarded the first place to the idea of “#Gemeinsam Kapazitäten nutzen und neu zusammenarbeiten” (using capacities together and collaborating anew). The object of the award-winning idea is the creation of a new platform, on which projects and other activities can be announced in addition to the existing job market. The introduction of this platform is planned for the first quarter of 2021. The second idea refers to the agreement of home office work models. In this respect, discussions were already held with the employee representatives in the year under review. Place three was awarded to the suggestion of “#Gemeinsam Neue Wege gehen – Let's get digital” (breaking new grounds together – let's get digital). This was about the execution of the further training to become a Deka Investment Consultant in the digital format. This project will be implemented in January 2021 initially with one pilot savings bank.

In 2020, the employees have submitted a total of 124 ideas (2019: 132), of which 90 (2019: 90) were published on the platform. A high proportion thereof contained suggestions to improve processes (41 percent, 2019: 41 percent). Ideas from the field of environment were represented with 9 percent (2019: 19 percent). These included, for example, the suggestion of offering a sustainable variant parallel to each conventional fund. In October of the year under review, this suggestion has already been implemented for two funds: Deka-Nachhaltigkeit DividendenStrategie and Deka-Nachhaltigkeit GlobalChampions follow the already established conventional models in their investment approach and additionally use the sustainability filter developed by Deka Investment GmbH. Fourteen ideas, including three competitive ideas, were awarded with cash prizes worth a total of Euro 12,700; nine more employees received gifts. In the year under review, suggestions from the ideas management have resulted in additional revenues

or reduced expenditure in the total amount of over Euro 273,000 (2019: Euro 260,200).

Even S Broker AG & Co. KG has ideas management since 2016. Employees can submit ideas via the Intranet; after a check, these are activated for voting for all employees. Ideas with the best reviews are awarded with a cash prize of Euro 400. In the year under review, 13 ideas were submitted; one suggestion was awarded a prize.

Focus: Digitalisation

The active participation of as many employees as possible in the development of innovative solutions strengthens the innovation culture and thereby also the digital transformation of the Deka Group. In order to specifically support the development of ideas in this topic that is particularly important for the Group, ideas can be submitted mainly with digital reference in the context of a newly established innovation process and can be presented within the scope of pitches. There, the Innovation Board decides about the respective lift of the idea.

In the year under review, a total of eight pitches took place, which have all been evaluated positively by the Innovation Board. Thematically, the prototypes mainly deal with digital assets, Deep Learning and Artificial Intelligence as well as the smart rental support. In order to make new technologies usable and to use digital technologies, these are first tested as part of a “laboratory” phase. Prototypes are developed for this purpose and the basic technical feasibility is tested, for example, in the Open Digital Factory (ODF). After a successful testing phase, the technology is then introduced as part of a “scale-up” phase. For the prototyping phase of the eight suggestions, a total of around one million Euros were provided.

The Innovation Board and the “Experts' circle for digitalisation” ensure a close connection and coordination of the relevant divisions within the Group and thus a concerted action. The experts' circle identifies technological trends as well as new technologies and assesses their significance for the Deka Group. The division of Digital Multi-channel Management is responsible for the implementation of new digital solutions; the IT division is responsible for digitalisation of the technical interfaces to customers; while the specialist divisions that are relevant in the individual case are responsible for the digitalisation of processes together with the respective Division Head.

For further raising the employee awareness about the high degree of importance of innovation and digitalisation, “Innovation Days” were executed at the beginning of 2020. Within the scope of the four-day event, around 30 lectures, panels and workshops took place, in which internal and external speakers imparted a broad overview of the challenges and opportunities of new technologies.

RATING AGENCIES (FIGURE 7)



Status of sustainability ratings according to the respective rating reports: MSCI: 20.11.2020; ISS ESG: 22.06.2020; Sustainalytics: 16.09.2020

* As of 2020 Deka received an MSCI ESG Rating of AA; Copyright ©2020 MSCI, **Copyright ©2020 Sustainalytics.

Further information: www.deka.de/deka-group/our-responsibility/how-we-practice-sustainability/sustainability-reports-and-ratings

5.7 Sustainability ratings

The proportion of institutional investors, who consider sustainability criteria in the capital investment, has increased further in the past few years. The measures that are stipulated within the framework of the EU Action Plan on Financing Sustainable Growth or have already been implemented have an important influence on this development (cf. **BACKGROUND: "Developments in the EU Action Plan on Financing Sustainable Growth"**). Through them, on the one hand, investors are becoming more and more aware of the possibilities of sustainable capital investment; on the other hand, they contain very specific guidelines for individual investor groups for the integration of appropriate criteria into the risk management and the investment process. At the same time, more and more investors are using the possibilities for an individual orientation of their capital investment to the environmental and social goals and values of their institution and are investing primarily in asset classes and issuers that meet these requirements.

Even for DekaBank as an issuer of public mortgage bonds, mortgage-backed bonds and bearer bonds as well as potentially even Green Bonds in future, it is important to meet the requirements of the sustainability rating agencies, so that it can place its bonds successfully among these investors. A central basis for the consideration of sustainability criteria during capital investment is formed for many investors by the ESG ratings of ESG rating agencies specialised in these aspects. They are therefore an important reference for the designing of the sustainability management and a central target group for sustainability reporting. At the same time, the requirements of important stakeholder groups of the Deka Group, for example of

environmental associations, human rights organisations and unions, are reflected in the criteria used by the agencies. Finally, the Deka Group uses the sustainability ratings as basis for a regular analysis of the strengths and weaknesses of its sustainability management even in comparison with other banks. In the year under review, the derived measures have been discussed and prioritised within the framework of the field of action 3 "Growth through sustainability" of the Management Agenda 2025.

As in previous years, the Deka Group received significantly above-average assessment in the ESG ratings of leading rating agencies. In the ESG rating conducted by Sustainalytics, the Deka Group attained rank 4 among the 350 total rated banks. With a score of 17.8 Low Risk on the scale ranging from 40+ to 0 (best value), the Deka Group could again improve the assessment of its ESG risks as compared to the previous year (19.1).¹³

In MSCI ESG, the Deka Group could again confirm its very good AA (scale AAA to CCC) rating in the year under review. No German Asset Manager in this peer group has a better MSCI ESG rating. As in previous years, the rating agency ISS ESG distinguished the Deka Group with the Prime Status even in the year under review. With a C+ rating (scale A+ to D-), the Deka Group was again placed as "Industry Leader" among three best rated banks in the peer group of "Public and regional banks". Only two institutions achieved a better rating with the B- grade. The rating agency imug rating has stopped its Bond-Sonar-Rating and is therefore not listed any longer.

¹³ Sustainalytics has changed its assessment methodology in 2019, so that the results are not comparable with the details from the sustainability report of 2019.

EDITORIAL

Green Recovery – Crisis as an opportunity

Dr. Ulrich Kater, Chief Economist of DekaBank

The discussion around sustainability and climate change looks back on several decades of intense arguments. It was a long way up to the anchoring of sustainability goals in European and German institutions. The starting pistol was fired almost 50 years back by the first United Nations conference about the human environment in Stockholm in 1972. This was also the time when Economist William D. Nordhaus started integrating climate change into his macroeconomic models in order to better assess the associated risks and costs. An outsider at that time, he is today a Nobel Prize winner. His research efforts were finally recognised with the Nobel Prize in 2018. He became an important adviser on climate change not only for the United Nations.

After the first UN Earth Summit of 1972, 15 years passed until the UN World Commission for Environment and Development set a next milestone for the sustainability discussion in 1987 with the Brundtland report. The Brundtland report was the impetus for the UN Conference on Environment and Development held five years later in Rio de Janeiro. The 1992 Conference in Rio de Janeiro was the stepping stone for the current sustainability and climate goals. The UN Millennium Development Goals from 2000 were an important stopover. An agreement on a concrete formulation of a climate goal and 16 other currently valid sustainability goals was finally reached in 2015 with the Paris Climate Agreement and the World Summit on Sustainable Development in New York. They concern all areas of life of the people. This also formed the basis for the “Green Deal” of the EU Commission from December 2019.

Corona impact

In particular the measures for slowing down the global warming appeared to gain momentum with the Green Deal in Europe. When the new EU Commission President Ursula von der Leyen presented the plan on 11.12.2019, it was impossible to even guess that the worst global economic crisis since the Second World War would start only a few days later. The first confirmed Covid-19 cases were found in China at the end of December 2019. The viral disease was initially far away and the European economic indicators for January and February rather pointed at an economic recovery, after the economy in the European Monetary Union (EMU) slightly weakened in the fourth quarter of 2019.

But the Corona virus spread rapidly across the globe. Health emergency was finally reached in large parts of the EMU in mid-March 2020 and strong restrictions of public life as well as production stops were introduced. This led to a record economic slump in the first half of 2020. In the second quarter of 2020 alone, the economy in the Euro area slumped by 11.8 percent as compared to the previous quarter. In the third

quarter, the loosening of restrictions from May onwards resulted in a significant catch-up effect with a powerful help of the monetary and fiscal policies. However, it was a false hope that the virus would remain only in the background. In the autumn, Covid-19 came back with full force; health emergency was again declared and partial lock-downs were initiated in many European countries.

Economic crisis is not a sustainability brake

The impression that we lost sight of the topics of sustainability and climate change in view of the extraordinary strength of the economic crisis is obvious. But this impression is deceptive even if the UN Climate Conference 2020 in Glasgow became a prominent Corona victim and should now take place only in November 2021. Although the second Covid-19 impact delays the economic recovery, the plans to design a “Green Recovery” are running at full speed. The economic crisis may even serve as an accelerator of sustainable development in Europe. In the middle of the Corona crisis, the EU Commission President presented a plan for more ambitious climate goals, which was confirmed during the EU Summit in December 2020. Instead of the current reduction in carbon dioxide (CO₂) emission by 2030 by at least 40 percent as compared to 1990, now a CO₂ saving of 55 percent is stipulated. In this connection, the EU Commission has submitted the necessary investment plan. This amounts to Euro 3.5 billion up to 2030. The main goal is a climate-neutral or greenhouse gas-neutral EU by the year 2050. The most important greenhouse gas is CO₂. Neutrality means not the full waiver of CO₂ emission, but only the full compensation. This should be the European contribution to fulfilling the Paris Climate Protection Agreement of 2015. A limitation of the rise in the global average temperature to “well below 2 °C” as compared to the pre-industrial times (1850–1900) was defined there. In the meantime, this is interpreted as a +1.5 °C goal. A delay in the measures would make the already ambitious project even more difficult. Because, according to information of the Intergovernmental Panel on Climate Change (IPCC), the earth has already reached a plus of almost 1 °C. In the opinion of the IPCC, the +1.5 °C will be reached between 2030 and 2050. It bases this on the strict assumption that the world will be climate-neutral by 2055, i.e. the net global CO₂ emission will be zero.

Political freedom due to the Corona crisis

Major political freedom is required to cope with this challenge. Political freedom results from financial resources. The Corona crisis is a door opener. Huge national relief packages were laced up and one third of the money is scheduled for the green renewal. The French and German crisis packages are exemplary for the sustainable impact direction. President Macron empha-

sises that the ecological change in view of the climate and biodiversity is the highest priority in the French reconstruction plan. The planned Euro 31 billion for the green renewal of France will go into the fields of transport (mainly trains and bicycle infrastructure), building renovation, energy supply and nutrition. An important topic in connection with energy is the expressly mentioned de-carbonisation of the industry. The French relief package was put together before the second Corona wave and may turn out to be a bit bigger with the additional Corona strains.

In the summer of 2020, Germany presented a stimulus package in the amount of Euro 130 billion. Thereof, around 30 percent are planned for sustainable development. The individual measures are very diverse. With Euro 7 billion, a large item therein is the promotion of green hydrogen technologies. But even the previous funds for the CO₂ building renovation are increased by Euro 1 billion. Moreover, E-mobility is another focal point. Solely the development of the national charging station infrastructure is taken into account with Euro 2.5 billion. The part package of “future investments” in the overall German Corona package amounts to Euro 50 billion and includes the fields of digitalisation, research, education and health besides sustainability. At the European level, the EU reconstruction fund (Euro 750 billion) was started in the course of the Corona crisis also with a share of 30 percent for the ecological change – the Euro 225 billion for green projects should be financed via Green Bonds in the capital market. The overall EU budget for 2021–27 in the amount of total Euro 1.8 billion (including the reconstruction fund) forms an important financial framework for the ecological change. It also reserves a share of 30 percent for climate protection.

The state sector alone cannot shoulder the ecological change. The inclusion of the financial sector and the participation of private households is of central importance for the success of sustainable development. Solely the financial assets of the private households in Germany amounts to Euro 6.6 trillion. In Europe, the private households in combination with the financial sector and the state are in a position to cope with the sustainable structural change. Sustainable management and investment however demand more transparent guidelines. The EU took an important step for this in the Corona summer and got the taxonomy regulation off the ground. It has the somewhat clumsy name “Regulation (EU) 2020/852 of the European Parliament and the Council dated 18.06.2020 on the establishment of a framework to facilitate sustainable investments and for amendment of the Regulation (EU) 2019/2088”. The state impulses represent the initial spark. Because, there is market failure in many areas of sustainability as social costs are not included in the individual calculation of private companies and households due to negative externalities.

Rethinking is progressing

The sustainable change in Europe is taking place with the state as a source of inspiration and crowd puller. There is a lot happening from direct CO₂ compensation options when buying a flight ticket, to new economic structures e.g. in the field of hydrogen or the long-term change-over to the green car industry. This also applies for sustainable investment options. Coming from a hardly recognisable level just five years back, they have had a rapid growth. This applies to bonds, shares and investment funds. The climate component is often in the foreground; but this too is changing. The 17 Sustainable Development Goals (SDG) of the United Nations and the resulting standards offer a huge potential for sustainable investments. Through the reconstruction fund in the course of the Corona crisis, the EU will help the market for sustainable bonds develop further. Because, a share of 30 percent of the Euro 750 billion Corona relief package should be financed via sustainable bonds. Moreover, the European Central Bank is also opening up stronger to the topic of sustainability and is initially planning to accept sustainable bonds as securities.

It is not recognisable that the Corona crisis will result in an emergency stop or even in the end of the sustainable renewal in Europe. The gained financial freedom can rather lead to an acceleration. The Corona crisis gives rise to an opportunity that the sustainable change may not get often.

About the report

For the year under review 2020, DekaBank meets the provisions of the “Act to Strengthen the Non-financial Reporting by Corporations in their Management and Group Management Reports” (CSR Guideline Implementation Act) in connection with the regulations in the German Commercial Code §§ 289 and 315 by submitting a joint non-financial report for the Deka Group (the Deka Group includes DekaBank Deutsche Girozentrale as parent company as well as the subsidiaries according to the IFRS consolidation scope (cf. www.deka.de/deka-group/investor-relations-en/reports-and-presentations, annual report of the Deka Group, note 80 “details of shares in subsidiaries” and note 82 “list of shareholdings”)) and the DekaBank Deutsche Girozentrale within the scope of the Sustainability Report 2020 and publishing it on its homepage by 30.04.2021. Under consideration of the materiality principle, the non-financial report mainly refers to these companies, provided that they contribute significantly to the sustainability performance of the Deka Group.

Unless otherwise specified, the information provided in this report refers to the Deka Group. Individual indicators in the area of environmental management relate to individual locations. This is noted accordingly, wherever this is the case.

The Deka Group sees itself as an organisation, which is aimed at the customer benefit beyond all levels and divisions and uses the strengths of the integrated business model, which is based on the Asset Management as well as on the banking business, for this purpose.

Compliance with reporting standards

The Sustainability Report complies with the guidelines of the Global Reporting Initiative (GRI) in the current version “GRI standards”. The GRI is considered as globally recognised guidelines for sustainability reporting.

“This report was prepared in compliance with the GRI standards: Core option.”

The Deka Group declares that it has exercised utmost care during the preparation of this report and the information contained in this report is correct to its knowledge and no relevant circumstances were missed. All the information in

this report basically refers to the 2020 calendar year. This is noted accordingly, wherever this is not the case.

When taking into account the requirements of the GRI, the changes coming into force on 01.01.2021. were considered comprehensively. The information about the new report indicator GRI 207 on the topic of taxes is documented in **chapter 5.2.2**. The reporting on the extended indicators GRI 303 (water and waste water) as well as GRI 403 (occupational health and safety) is mapped within the scope of its relevance for the business model of the Deka Group. also cf. **GRI content index** under www.deka.de/deka-group.

Content requirements of the CSR Guideline Implementation Act (CSR-RUG)

§ 289c of the German Commercial Code defines the contents of the non-financial report. In addition to the description of the business model of the company, the non-financial report should at least refer to the following aspects if these are essential for the understanding of the course of business and the impact of its own corporate activity. These are essentially the same aspects, for whose comprehensive consideration the Deka Group has obligated itself within the framework of the signing of the UN Global Compact. The importance of the five aspects for the Deka Group (“inside view”) is described below.

In this Sustainability Report 2020, the Deka Group reports, beyond these aspects stipulated by the CSR-RUG, about other objectives and measures that are considered to be important by specific target groups of the report, particularly the sustainability rating agencies, for the understanding of the sustainability-related commitment and the impact of the Deka Group on employees, the environment and society. It is thereby taken into account that individual sustainability rating agencies use only publicly accessible sources of information, especially sustainability reports or non-financial reports, for their assessment.

Environmental concerns

Environmental concerns are relevant for the Deka Group in different contexts. This includes, on the one hand, the consideration of environmental criteria in financing. Here,

the non-compliance with environmental standards, for example, in case of infrastructure projects, can result in delays in the completion of projects and, where applicable, in delays or even failures in the operation of the financing as well as reputational damage. By adhering to international standards, such as the Equator Principles, such risks can be minimised. These aspects are discussed in **chapters 4.1.2 "Sustainability in lending" and 5.1 "Regulations and standards"**. On the other hand, it is important from the point of view of the Deka Group to also minimise the direct impact of its activities on the environment. The objectives and measures for this area are documented in **chapter 3.1 "Sustainable banking operations"**.

Not least through the recommendations of the TCFD as well as BaFin in its leaflet on handling sustainability risks, the risks of climate change have become more important for the finance sector. **Chapter 3.2** describes which steps DekaBank has already taken in the field of climate-related reporting.

Employee concerns

The employees are the foundation of the economic activity of the Deka Group. Even against the background of the demographic change, it is here especially important to attract employees in the number and qualification required for the provision of services for the company and to bind them to the company. From the point of view of the employees, it is also important to ensure their professional and health-related employability through corresponding measures. The activities undertaken by the Deka Group, among other things, for the training and further education, the promotion of gender equality and the occupational health and safety are discussed in **chapter 4.2 "Sustainable HR management"**.

Social concerns

The promotion of the development at local and regional level and the support of the municipalities in performing their tasks in the economic, regional political, social and cultural area is anchored in the Savings Bank Act and is therefore also a guideline for the actions of the Deka Group. Its extensive social action is described in **chapter 4.3. "Corporate Citizenship"**.

Respect for human rights

The respect for human rights is of importance in the banking sector, particularly in the context of financing of infrastructure projects. It is often also about the interaction with local communities. By taking into account the Equator Principles for corresponding financing, DekaBank ensures that human rights aspects are considered in the financing. This is how risks for the realisation of the projects as well as for the reputation of the bank can be avoided. On the other hand, negative impact on people concerned by the financed projects should be excluded as far as possible.

The British Modern Slavery Act of 2015 also refers to the responsibility of the companies for the abolition of slave labour in the supply chain. It obligates all companies doing business in Great Britain to give a declaration as to which measures they have taken to ensure that there is no "slave labour" in their supply chain. The Deka Group is also obligated to submit such a declaration on the basis of its business activities in Great Britain. It is published on the website of the Deka Group. More information on these topics can be found in **chapters 3.1.2 "Procurement", 4.1.2 "Sustainability in lending" and 5.1 "Regulations and standards"**.

Fighting against corruption and bribery

Compliance with statutory and regulatory requirements with respect to fighting against corruption and bribery is one of the fundamental requirements for responsible corporate governance. Violations of these standards regularly lead to legal or even financial sanctions and reputational damage. The corresponding guidelines and measures of the Deka Group for fighting against corruption and bribery are documented in **chapter 5.2.1 "Compliance"**.

With regard to the risks associated with non-financial aspects, it should be noted that all significant risks are intensively discussed in the Risk Management Committee and are reported to the Board of Management as well as the relevant supervisory bodies.

Audit of the separate non-financial report

The separate non-financial report is audited in two respects: The Supervisory Board is obligated to check its content, whereby it can also commission an external

content review. The auditor checks as to whether the separate non-financial report was submitted and was published by 30th April of the following year. The auditor does not check the contents. Here, AGIMUS GmbH was commissioned with the external content review of the joint separate non-financial report (Sustainability Report 2020) of the DekaBank Deutsche Girozentrale and the Deka Group. The audit includes the compliance of the Sustainability Report with the requirements of the HGB.

The legal basis for the preparation of the separate non-financial report does not include instructions for selection of the auditor for the external content review. DekaBank has decided to assign the audit order to an external expert, here AGIMUS GmbH. AGIMUS GmbH has a high level of expertise as environmental expert in certification processes according to the ISO and in the sustainability context based on the respective applicable GRI framework. It also has detailed knowledge of the environmental and sustainability-related structures and processes in the Deka Group, since it has been accompanying the certification of the Deka Group according to the environmental standard DIN EN ISO 14001 since 2009 as environmental expert and verifies the compliance with the relevant specifications every year. Since the reporting year 2014 – and thus before the CSR-RUG came into force – AGIMUS GmbH has been assigned to audit the Deka Group's sustainability report in order to fulfil the respective GRI specifications. This also includes the publication of the audit results in order to fulfil the respective GRI specifications.

The joint separate non-financial report was audited by independent experts Dr. Ralf Utermöhlen and Dr. Julia Norden in January 2021.

After completion of the audit, both experts have come to the conclusion that the joint separate non-financial report (Sustainability Report for the DekaBank Deutsche Girozentrale and the Deka Group) for the period from 01.01.2020 to 31.12.2020) meets the statutory provisions of the HGB and of the Act to Strengthen the Non-financial Reporting (CSR Guideline Implementation Act) for the separate non-financial report and the reporting standards of the Global Reporting Initiative (GRI standards) have been fulfilled.

Certificate about an independent environmental verification

Audit task

The separate non-financial report is audited in two respects:

The Board of Management is obligated to check its content, whereby it can also commission an external content review. The auditor checks as to whether the separate non-financial report was submitted and was published by 30th April of the following year. The auditor does not check the contents.

DekaBank engaged AGIMUS GmbH Umweltgutachterorganisation und Beratungsgesellschaft to perform an external content review of the joint, separate non-financial report (Sustainability Report 2020) of the DekaBank Deutsche Girozentrale and the Deka Group. The joint separate non-financial report was audited by independent experts Dr. Ralf Utermöhlen and Dr. Julia Norden in January 2021.

It is our job to check the information in the sustainability report for traceability as well as the completeness and accuracy according to the requirements of the Act to Strengthen the Non-financial Reporting by Corporations in their Management and Group Management Reports (CSR Guideline Implementation Act), the HGB as well as the framework of the Global Reporting Initiative (GRI standards). 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.

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 a third-party review and conducted our review of the sustainability report in line with the procedures for the certification and the on-site check of the environmental management system according to ISO 14001.

Audit activities

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.

A particular focus of the verification in 2021 was on the numerous activities in the entire Deka Group to implement the new legal requirements with reference to a sustainable financial sector.

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

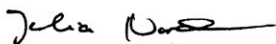
- Interviewed employees from the departments responsible for the preparation of the report about the process for preparing the report and on the internal controls in place around this process;
- Inspected documents regarding the sustainability strategy and gained an understanding of the environmental and sustainability organisation structure, the stakeholder dialogue and the development process for the company's environment and sustainability programme;
- Interviewed employees in the specialist departments responsible for individual chapters 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 audits and site inspections during the ISO 14001 audit in Frankfurt/Main;
- Obtained further evidence for the information in the report through inspection of internal documents as well as reports and records from external service providers.

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

Opinion

After completion of the audit, both experts have come to the conclusion that the joint separate non-financial report (Sustainability Report for the DekaBank Deutsche Girozentrale and the Deka Group for the period from 01st January 2020 to 31st December 2020) meets the statutory provisions of the HGB and the CSR-RUG for the separate non-financial report and the reporting standards of the Global Reporting Initiative (GRI standards) have been fulfilled.

Braunschweig, 5th February 2021



Dr. Julia Norden



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



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INFORMATION ON THE INTERNET

The sustainability report 2020 of the Deka Group can be found on our website www.deka.de/deka-group/our-responsibility/how-we-practice-sustainability/sustainability-reports-and-ratings.

ORDERING SERVICE

We would be pleased to send you the Sustainability Report 2020 of the Deka Group. If you want to receive our Sustainability Report on a regular basis, please contact us.

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EDITING

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VALIDITY OF INFORMATION

This document is a translation of the corresponding Deka Group Sustainability Report 2020, which was written in German. In case of any inconsistency or translation-related differences the German language version shall prevail.



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