

Customer Centricity Performance Compliance
Responsibility Ethics GRI Green Bond Principles
COP21 **Climate Change** Respect
Development Climate Protection
Performance Claim Substantiality
Value Added **Target** Compliance
Rating ESG Customer Centricity
Audit CO₂ Suppliers Impact SDGs Respect GRI
Responsibility Emissions ESG Development
Green Bond Principles DIN EN ISO 14001:2015
Diversity Climate Protection **EU Action Plan**
NGO Claim Performance Substantiality Rating
Target Impact CO₂ Compliance Ethics Support
GRI Respect **Customer Centricity** Suppliers
Climate Change Value Added ESG Emissions
SDGs Substantiality EU Action Plan Diversity
Compliance CO₂ Impact Target Responsibility



Deka Group
Sustainability Report
2018

Deka Group – Key Figures 2018

BUSINESS DEVELOPMENT INDICATORS		31 Dec 2017	31 Dec 2018
Total assets	€m	93,775	100,444
Total customer assets	€m	282,888	275,878
thereof retail customers	€m	138,951	137,169
thereof institutional customers	€m	143,937	138,709
Number of securities accounts	(thousand)	4,492	4,654
		2017	2018
Net sales ¹	€m	25,671	11,773
thereof retail customers	€m	12,309	11,296
thereof institutional customers	€m	13,362	477
SUSTAINABILITY RATING²			
Sustainalytics	points	83	83
MSCI ESG		AA	AA
ISS-oekom		Prime C+	Prime C+
imug		Positive	Positive
SUSTAINABLE PRODUCTS			
Volume of sustainable retail funds	€bn	2.7	3.1
Managed capital in sustainable products (securities)	€bn	10.9	10.9
Share of certified buildings in property funds ³	%	68	69
Sustainable investment volume of Depot A proprietary investments	€bn	17.1	15.6
SUSTAINABLE HR MANAGEMENT			
Number of employees	group-wide	4,492	4,564 ⁴
	Germany	4,094	4,160
Proportion of women in Germany	%	39.2	39.3
Proportion of women in leadership positions in Germany	%	19.7	20.8
Part-time ratio in Germany	%	17.5	18.5
Turnover rate in Germany	%	3.1	4.2
Financial cost of further training in Germany	€/employee	900	949
SUSTAINABLE BANKING⁵			
Power consumption	kWh	11,457,159	11,687,971
Energy consumption	kWh	18,791,438	18,135,788
Paper consumption ⁶	t	788	754
Drinking water consumption	m ³	39,128	48,019
Volume of waste generated	t	241	235
Business trips (group-wide, without S Broker)	km	23,521,951	23,115,859
Direct greenhouse gas emissions (scope 1)	kg	1,844,898	1,770,629
Indirect greenhouse gas emissions (scope 2)	kg	4,844,680	5,357,316
Other indirect greenhouse gas emissions (scope 3)	kg	3,898,611	3,641,129
Greenhouse gas ⁷ emissions (total)	kg	10,588,189	10,769,074
CORPORATE CITIZENSHIP			
Expenditure for foundations, donations and sponsoring	€m	1.53	1.73

¹ From 01.01. to 31.12.

² Last updated: Sustainalytics: 12.10.2017; MSCI: 24.05.2018; ISS-oekom: 23.05.2018; imug: 04.04.2018 (Sustainability Rating positive (B), Mortgage Covered Bonds positive (BBB), Public Sector Covered Bonds positive (BB)); see also section "Sustainable corporate governance".

³ See section "Sustainable products".

⁴ The 152 employees of S Broker are not included and are listed separately in section "Sustainable HR management".

⁵ Figures refer to the three buildings in Frankfurt am Main (excluding business trips and paper consumption).

⁶ Comprises: letter paper, pre-printed paper, envelopes, forms, copy paper (general office paper), promotional printed materials/publications.

⁷ The GHG Protocol covers five other climate-relevant gases in addition to CO₂: methane, nitrous oxide, sulphur hexafluoride and two groups of fluorocarbons (CO₂e).

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1. Preface

Ladies and Gentlemen, “There is no future without a past” – this particularly applies to DekaBank as well, which celebrated its 100th birthday on 1st February 2018. In this century, which was characterised by numerous, partly dramatic political, social and economic upheavals, the savings banks concept and the resulting focus on “people, economy and responsibility” was a constant of our actions. For four generations, our employees are working towards supporting and accompanying our clients – private and institutional investors as well as companies – in achieving their goals.

The distinct orientation towards the needs of our customers as well as the requirements of our social environment is the focus of our responsibility. It is also expressed in a solid anchoring of social and ecological criteria that are based on responsible corporate governance within the framework of our business strategy.

The future also needs structuring. Therefore, even in the anniversary year, we are facing the challenges that lie ahead of us and our customers. The hot summer in Germany has once again made us aware of the need to take decisive steps for climate protection and to particularly reduce the greenhouse gas emissions substantially for this. The report of the Intergovernmental Panel on Climate Change (IPCC) published in autumn reassures: the scientists believe that it is still possible to limit the rise in global average temperature to 1.5° Celsius as compared to pre-industrial levels.

They however make one thing clear: to achieve this goal, immediate and comprehensive steps for decarbonisation of the economy and society are required. And: whether the temperature rise can be limited to 1.5° Celsius or reaches 2° Celsius as determined as the upper limit in the Paris Agreement, makes a significant difference, for instance, for the rising sea levels and the consequences for the biodiversity.

A comparison with the recent German history shows as to how big this task is. We required the creative power and creativity of an entire generation as well as extensive financial resources to level the living conditions in West and East Germany to a large extent. We now also have around one generation's time for decarbonisation of the economy and society – but on a global scale.

Against this background, it is right and important that the EU Commission, with its action plan “Financing Sustainable Growth” published in March 2018, wants to develop the framework conditions further such that the financial economy can participate in climate protection more than ever before. Only in this way, around 290 billion euros can be raised annually; according to current calculations of the EU Commission, this amount must be invested solely for achieving the European climate and energy goals. It is gratifying to note that the EU Commission has extensively taken up the recommendations of the independent High Level Expert Group on Sustainable Finance (HLEG). During the implementation of the action plan and its numerous measures, it is important from Deka Group's point of view to have in mind as to what is feasible.

We also focus on the future internally. With the DekaPro programme, we want to aim our products and services at our customers more strongly than ever under the key-word “customer centricity”. The process is based on the motto “the right products in the right quality to the right customer”. The overall quality of a product more frequently also includes its sustainable quality. The proportion of investors, who also keep an eye on the sustainability of investment products in addition to their return, security and availability when making investment decisions, is increasing very dynamically both among private as well as institutional investors. We want to further develop our position in this growth market, which is already good, and noticeably increase our market share especially in case of institutional investors such as pension funds and foundations in the coming years.

Sustainability criteria have a growing importance even in the financing sector. For several years now, the Deka Group already qualifies certain transactions even for avoiding reputation risks as undesirable or as being afflicted with increased risk. In the year under review, we have significantly expanded this negative list and supplemented it with a positive list. It defines investment fields, in which we want to be active more strongly in the future than ever. These include, for example, financing for the expansion of renewable energies and the related infrastructure as well as for the modernisation of production facilities, through which CO₂ emissions can be reduced significantly.

In addition, we shall strongly support the development and expansion of structures similar to savings banks in countries outside the OECD. Based on the experiences of the savings banks in Germany of more than 200 years and our own 100-year history, we are firmly convinced that a powerful financial sector, built on the pillars of the savings banks system, can make a significant contribution to sustainable social and economic development in these countries.

Today, the motto of “the right product in the right quality to the right customer” is backed by “the right employee at the right place” more than ever. We have therefore further intensified our efforts to attract and retain qualified and motivated employees even in the year under review. Like before, a focal point is the reconciliation of work and family. We are pleased that Deka-Bank was distinguished for its family-conscious HR policy already for the fifth time in the year under review.

In addition to the topics of human rights, climate protection and fight against corruption, the ten principles of the UN Global Compact include good working conditions and observance of fundamental labour rights; we have already professed these principles in 2011. This report provides information about how we are progressing in the implementation of these principles.

With this report, we are also fulfilling our obligation under the CSR Guideline Implementation Act (CSR-RUG). Since 2017, the legally stipulated audit of the contents of the Sustainability Report takes place particularly through the exercise of the right to commission an external audit (§ 111 para. 2 sentence 4 AktG [Companies Act]). The auditor has issued the audit certificate that is necessary for this, so that the corresponding statutory requirements of the CSR-RUG, 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.

According to Victor Hugo, the future has many names: for the weak, it is the unattainable; for the fearful, it is the unknown; for the brave, it is the opportunity. This Sustainability Report shows you as to how the Deka Group tackles the challenges of the future – for the benefit of the people, the economy and the society.

With best regards



Michael Rüdiger
Chairman of the
Board of Management



Dr. Georg Stocker
Deputy Chairman of the
Board of Management

WE SUPPORT



IN FOCUS

Highlights of the year 2018

SUSTAINABLE CORPORATE GOVERNANCE

- Successful completion of the “D18” strategic programme to transform the Deka Group into the Wertpapierhaus for the savings banks and the adoption of the “DekaPro” programme running from 2019 onwards for an even stronger focus on Deka Group’s range of services offered to its customers PAGE 6
- Improvement of the sustainability ratings assigned by the sustainability rating agencies that are above-average in comparison with the sector PAGE 14
- Survey on the perception and assessment of Deka Group’s sustainability performance shows high interest in sustainable investments and demonstrates the close connection of sustainable investors with the Deka Group PAGE 8
- Update of the analysis on the importance of individual sustainability topics from the point of view of the customer (materiality analysis) PAGE 8

SUSTAINABLE PRODUCTS

- Approval of a positive list with investment fields for the lending business, in which DekaBank intends to become more involved in the future and significant expansion of the negative list for unwanted transactions PAGE 24
- Implementation of the Deka Research Hub, through which the savings banks have access to information on the sustainability performance and ratings of numerous securities issuers PAGE 17
- Launch of bevestor, the Deka Group’s Robo-Advisor solution, that enables investments in the fields of climate change and sustainability PAGE 18
- Execution of pilot projects for improved control of the building services management system in the existing buildings of the Deka real estate funds, through which energy savings of 20 to 25 percent can be achieved PAGE 22
- Financing of a study by the University of Hamburg for the first scientific investigation about the consistency of company-specific data on greenhouse gas emissions PAGE 26

SUSTAINABLE HR MANAGEMENT

- Start of an internal initiative in the fields of digitisation, agility and Work 4.0 PAGE 27

- Introduction of the new learning system “DekaLearning” as a third “Success-Factors” module in addition to the introduction of the employee call and the remuneration notifications PAGE 29

- DekaBank’s fifth award for its family-conscious HR policy within the framework of the “audit berufundfamilie” [work and family audit] certification procedure PAGE 32

SUSTAINABLE BANKING

- Successful implementation of the new requirements from the ISO 14001 reform for Deka Group’s environmental management system PAGE 38

- Introduction of a bicycle leasing model, based on which employees can lease bicycles similar to company car leasing PAGE 39

- Decision about the transition from disposable to reusable cups in the canteens, through which about 450,000 disposable cups can be saved per year PAGE 39

CORPORATE CITIZENSHIP

- Set-up of the “Dekarium” exhibition in the former customer vault of Trianon with exhibits on the 100-year history of the Deka Group, which recorded around 2,500 visitors in the year under review PAGE 43

- Exhibition “Social facades: A dialogue of the collections of the Museum for Modern Art (MMK) and DekaBank” PAGE 42

- Awarding of the International Highrise Award (IHA) to architect Benjamín Romano for the high-rise Torre Reforma in Mexico City, in cooperation with the city of Frankfurt and the German Architecture Museum (DAM) PAGE 42

- Start of a multi-year cooperation with the Federal Youth Orchestra, which mainly includes the support of members of the orchestra and the purchase of musical instruments PAGE 43

2. Sustainable corporate governance

Savings banks already attach central importance to the basic idea of sustainability since their foundation over 200 years ago. Orientation towards the common good, subsidiarity, communal public service, public order and public ownership are the cornerstones of the savings banks and their affiliates.

DekaBank as the Wertpapierhaus of the savings banks not only anticipates this course, while itself looking back at a 100-year successful history in the year under review, but also feels particularly committed to sustainability. Generation of added value for owners, customers and employees is at the heart of Deka Group's business activities. In the implementation, the business strategy that includes specifications for the sustainable corporate governance forms the operational framework.

2.1

Business model

DekaBank Deutsche Girozentrale (hereinafter referred to as DekaBank) is a federal institution governed by public law. DekaBank 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 that were indirectly held by the Landesbanken [state banks] up to 2011 are held by Deka Erwerbsgesellschaft mbH & Co. KG. The savings banks have therein bundled their shares through the regional savings banks and giro associations borne by them. The other half of the shares is held by the German Savings Banks Association (DSGV ö. K.).

The Deka Group is the Wertpapierhaus of the savings banks. Through the activities in asset management and in the banking business, it is a service provider for the investment, administration and management of assets and supports the savings banks and their customers along the entire securities-related investment and advisory process. In addition, it offers the savings banks as well as institutional customers outside the Sparkassen-Finanzgruppe a comprehensive consulting and solution spectrum for the investment, the 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 loan funds as well as certificates, including the corresponding services of asset management for private and institutional investors. Thereby, the special funds are supported in the asset management and institutional customers are supported in their asset management as well as their capital, liquidity and risk management. In this context, the Deka Group acts as a financier, issuer, structurer, trustee, asset servicing provider and custodian bank.

The Deka Group has arranged its activities in five business divisions: Asset Management Securities, Asset Manage-

ment Real Estate, Asset Management Services, Capital Markets and Financing. The sales units are thereby the first points of contact in the market and combine the various product and service offers for the different customer groups. COMPARE FIGURE 1

2.2

Strategic and organisational anchoring of sustainability

Strategic anchoring

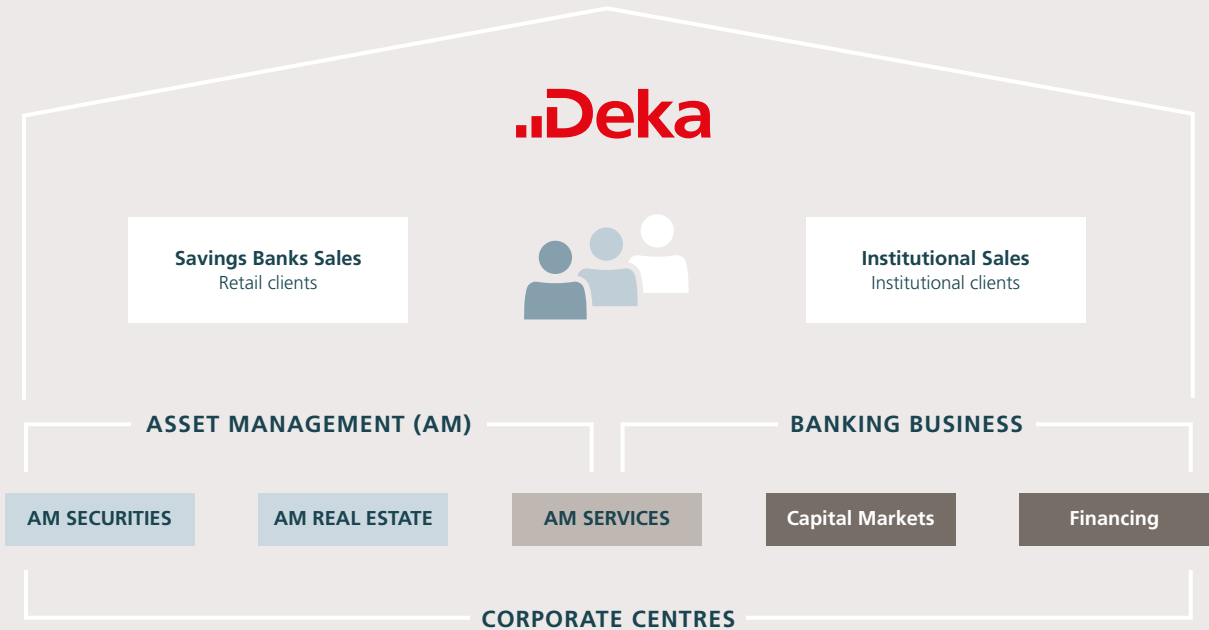
Since fiscal year 2015, the Deka Group renounces a separate sustainability strategy and has integrated the corresponding specifications into its business strategy. Sustainability has thus become a core part of the Deka Group's focus of the business policy, which is also transparent vis-à-vis the Board of Management and the Supervisory Board. In the implementation of this decision, sustainability projects were integrated into the D18 transformation programme at the end of 2015. The objective of this program was the further development into the Wertpapierhaus of savings banks up to the anniversary year 2018.

Within the framework of the programme, progress could be made in all five areas of sustainability management. These include, among other things, the integration of climate goals into the business strategy and the integration of sustainability aspects into the investment process for securities, as well as the constant increase in the proportion of properties distinguished with sustainability certificates.

After successful completion of the transformation programme, the Board of Management launched the "Deka-Pro" programme in the year under review. Under the keyword "customer centricity", this programme aims to focus the range of services even more strongly on Deka Group's customers. This should, among other things, strengthen Deka Group's market position with target groups such as foundations and pension funds, for whom sustainability

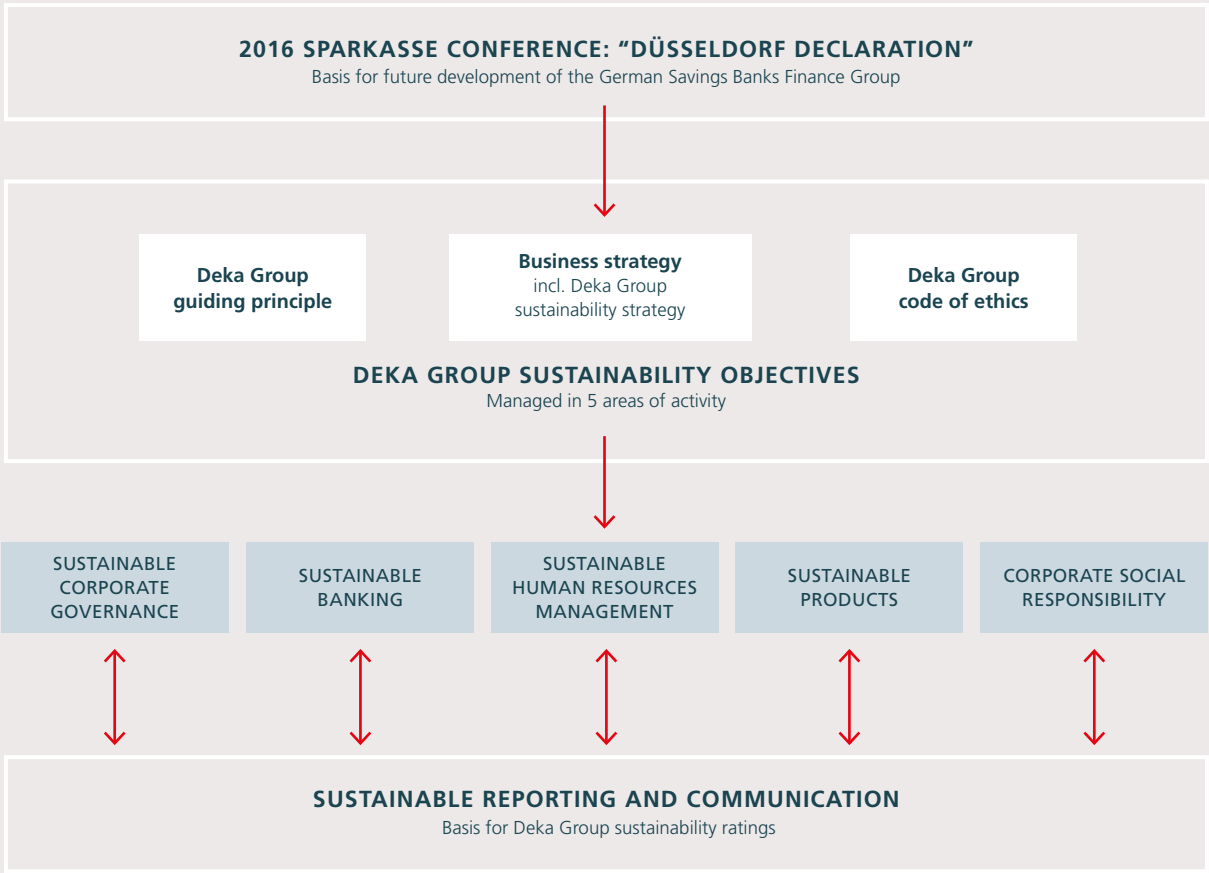
WERTPAPIERHAUS (FIGURE 1)

Clear strategic orientation – leading solution provider for asset investment, management and administration



SUSTAINABILITY (FIGURE 2)

Managed across units



criteria are particularly important even when it comes to their capital investment.

In this context, the action plan “Financing Sustainable Growth” of the EU Commission creates important impulses for the further anchoring of sustainability aspects in the financial market and the design of the services. The Deka Group therefore accompanies the corresponding discussion processes at European and national level proactively.

COMPARE IN FOCUS: “The EU action plan on financing sustainable growth”

Organisational anchoring

The Department of Sustainability Management is part of the central division of Corporate Office & Communications in the department of the Chairperson of the Board of Management and coordinates all relevant activities in the Deka Group on behalf of the Board of Management. It is the point of contact for all organisational units and undertakes this function even vis-à-vis all external stakeholders – in particular, companies and institutions in the Sparkassen-Finanzgruppe, sustainability rating agencies and non-governmental organisations. **COMPARE FIGURE 2**

2.3

Stakeholder dialogue and materiality analysis

The Deka Group’s most important stakeholders include 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 uses very different methods to engage in dialogue with their various stakeholders. These range from participation in conferences through the participation in initiatives and associations up to bilateral talks. The dialogue with the various stakeholders allows the Deka Group to understand the impacts of its business activities and to identify the issues and concerns of the various stakeholders. At the same time, it offers the possibility to explain one’s own position and thus also to create trust and acceptance for the activities of the Deka Group.

For individual internal and external stakeholder groups, which are of particular importance for the success of the business, the Deka Group also conducts regular surveys to systematically record their issues and concerns and thus to consider them. In the year under review, surveys of customers and employees in this context were commissioned or carried out in-house. The estimates of the customers were of major importance particularly in relation to the objectives of the “DekaPro” programme.

Within the scope of the reporting in accordance with the internationally recognised standard of the Global Reporting Initiative (GRI), DekaBank has already commissioned independent surveys of current and potential customers in the

past three years for the Deka Group partly in cooperation with various savings banks associations. The surveys were carried out, in each case, by the independent imug Beratungsgesellschaft für sozial-ökologische Innovationen. Objective of the surveys was to learn more about the importance attached by the surveyed persons to the different fields of action of sustainable corporate governance and how they assess the status of the sustainability performance of the Deka Group in the respective field of action. Even in the year under review, imug was commissioned with the implementation of a corresponding materiality analysis based on a survey.¹

IMUG NOTES:

“This study has been carried out as a materiality study for the Deka Group. This is to meet the new GRI standard, which prescribes the obligatory development of the new standards under the involvement of stakeholders. At the same time, the requirements of the CSR Guideline Implementation Act are implemented.”

imug Beratungsgesellschaft interviewed a total of 1,000 representatively selected private customers of the savings banks in the year under review, 500 of which were also customers of the Deka Group. The online survey was conducted in October 2018. The object of the study was the perception and assessment of the sustainability performance of the Deka Group or the savings banks as well as an evaluation and prioritisation of the importance of sustainability topics by the respondents.

For this report, the assessments of the customers were of particular interest. In view of the importance of sustainability topics, the following issues were mentioned by them most commonly:

THE MOST IMPORTANT SUSTAINABILITY ASPECTS	Chapter	Page
Fair behaviour towards customers	2.7, 3.	12, 17
Serious and reliable corporate governance	2.	6
Offer of sustainable investment products	3.1.2	17
Sustainable aspects of financing	3.2	23
Sustainability criteria in case of investments for own account	3.1.1	17
Energy saving and climate protection	5.	38

¹ In addition, the following additional surveys of key internal and external stakeholders were carried out in the reporting period: surveys of private persons and savings banks (compare chapter 2.7 “Customer satisfaction”) as well as surveys of employees on the reconciliation of work and family (compare chapter 4.4 “Equality / Equal opportunities for women and men”)

The results of the survey show, among other things, that

- 23 percent of retail customers expect information on sustainable investment products,
- sustainability-conscious customers have a significantly higher connection with the Deka Group and
- reporting on “sustainable products and sustainable corporate governance” is of particular interest.

2.4

Sustainability communication

Sustainability topics are an integral part of Deka Group’s communication strategy and a regular part of the communication with all relevant stakeholder groups. The Deka Group thereby informs the stakeholders – whether shareholders, customers, employees or even the general public – promptly about sustainability-related events and developments. The Deka Group uses the whole spectrum of available communication channels, right from staff magazines through press events to sales and customer events. The Deka Group website also offers comprehensive information; extensive and up-to-date information is provided under the heading “Sustainability/CSR”.

A central component of the sustainability communication is the Sustainability Report. Since fiscal year 2017, the Deka Group is, like numerous capital market-oriented companies, insurance companies and financial institutions, obligated by the “law to strengthen the non-financial reporting of companies in their management reports 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, refer to the chapter “ABOUT THE REPORT”.

As mentioned, the Deka Group is already oriented towards the recognised specifications of the Global Reporting Initiative (GRI) during the preparation of the Sustainability Report for several years. The Deka Group also creates a statement of compliance within the framework of the German Sustainability Code (DNK) since 2013, which is published on the website of the German Council for Sustainable Development (RNE).

2.5

Regulations and standards

Code of ethics

The Deka Group code of ethics serves as a binding orientation framework for ethically and morally correct appearance and actions of the employees, executives, members of the Board of Management and for third parties, who act on behalf of the Deka Group. Most recently, in 2017, the code of ethics has been extensively revised. Among other things, the aspects of “avoidance of market manipulation and financial crime” as well as “compliance with applicable tax provisions” have been included in the code under the cornerstone “integrity”. Under the cornerstone

“sustainability”, notes on the accession to the UN Global Compact as well as on the growing importance of a sustainable product and service portfolio for the customers of the Deka Group have been added. The importance of reconciling work and family for the Deka Group was underlined by the inclusion of a corresponding note in the cornerstone “respect”. The code is available in its current version on the Deka Group website.

It is already stipulated in the preamble of the code of ethics that a joint audit of executives and employees takes place within the framework of the employee call to check as to whether the conduct is in accordance with the code of ethics. For this, the annual performance evaluation of employees was extended by the component of “evaluation of the good behaviour in accordance with the code of ethics”. This evaluation is included in the calculation of the variable remuneration. Particularly serious violations of the code of ethics can result in measures under labour law, civil and criminal proceedings up to the termination of the contractual relationship.

External regulations and standards

Besides the internal rules of conduct, even the recognition of national and international standards underlines the Deka Group’s commitment to sustainable development. This includes joining the UN Global Compact in 2011 and the related obligation for implementation of the 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). The focus of these principles is the consideration of social and environmental standards in international project financing. In 2018, DekaBank accompanied a total of nine financing projects under the provisions of the EP. Of these, three projects were classified into category A (increased social and environmental impacts) and six projects into category B (limited social and environmental impacts). DekaBank reports annually on the implementation of the principles in the relevant financing projects. 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 3.2.

In order to comply with a responsible investment, the signatories commit to the Principles for Responsible Investment (PRI); these include Deka Investment GmbH since 2012. Among other things, the principles stipulate the integration of social and environmental criteria that are based on good corporate governance into the analysis and decision-making processes during the investment. Derived

from the three areas “environmental, social, governance”, the abbreviation ESG is often used in this context. Deka Investment GmbH annually reports on the measures implemented in this context within the framework of a Transparency Report, which is available on the PRI website.

2.6 Compliance

Compliance plays a key role in ensuring that the Deka Group acts in accordance with the respectively applicable legal and regulatory provisions. The Compliance division deals with the topics of capital market and real estate compliance, central financial crime unit, standards compliance, tax compliance and information security management (including data protection). The financial crime unit combines the fight against money laundering, the defence of terrorist financing, measures for the prevention of fraud, for fighting against other criminal acts and for fighting against corruption as well as the implementation of financial sanctions and embargoes here.²

In the topics under its responsibility, the Compliance division develops group-wide standards and guidelines for the Deka Group on the basis of applicable legal and regulatory requirements and supports the organisational units in DekaBank as well as the affected subsidiaries with corresponding trainings and advice in their implementation and execution. In addition, the division is regularly involved in various projects as well as processes, particularly in new product processes, significant changes in the process and structural organisation as well as outsourcing, which should ensure that the Deka Group meets the regulatory requirements as well as possible conflicts of interest are identified at an early stage and are avoided as far as possible.

Procedures and checks in the specialist units as well as within the Compliance unit itself serve for the prevention and detection of irregularities and are an integral part of the Compliance Management System of the Deka Group. In order to identify potential compliance risks and to take appropriate measures for their reduction, the division undertakes, as 2nd line of defence in the so-called “Three lines of defence model (TL0D)”, monitoring and control tasks at all levels of the banking operations.

Based on the latest developments for the comprehensive management of operational risks – these include both “Financial” as well as “Non-Financial Risk” (NFR) – the NFR project was established under the responsibility of the Compliance division in the fourth quarter of 2018. The objective of the project is to establish NFR as a strategic component of Risk Management as well as to combine the risk assessment and control approaches for “Non-Financial Risk” (particularly compliance risks, regulatory risks, cyber risks) in the course of an effective and efficient handling of non-financial risks.

Consultation and training

The application and implementation of the regulations and processes for the compliance with legal and regulatory requirements often start with the individual employees. In order to inform them about the aspects that are relevant for them, the experts of the Compliance division regularly conduct mandatory trainings in the entire Deka Group for topics under its responsibility. The training concept is based on classroom trainings in combination with web-based trainings, special trainings and training letters. If necessary, ad hoc trainings are also offered on selected topics.

In the year under review, all new employees underwent an initial compliance training. In addition, numerous employees took part in trainings in connection with the new regulations on fighting against money laundering, the law to fight against tax evasion, the money transfer regulation as well as in regular, rotational mandatory trainings on the basis of web-based trainings on information security management, prevention of money laundering, fraud prevention, financial sanctions/embargoes as well as capital market compliance.

Fighting against fraud, corruption and bribery

DekaBank has uniformly regulated the essential elements and principles including the relevant processes and measures for an effective fraud prevention system to prevent other criminal acts, which can lead to an endangerment of the assets of the institution or of individual companies, in the “Fraud prevention system of the Deka Group”.

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 promised, were also regulated in connection with the fight against corruption for the Deka Group. The approval process is binding for all employees including the Board of Management; its contents are announced through internal publications.

In principle, employees may demand or accept or grant gifts or invitations in connection with their activity neither for themselves nor for a third party insofar as this could affect the interests of the Deka Group or its customers. The granting of gifts and invitations is consistent with the usual market practice to a certain extent as long as this corresponds to the applicable laws and standards. However, since the professional independence of all parties involved can come into question here, the employees are encouraged to avoid even the mere appearance of conflicts of interest.

² Financial sanctions/embargoes are applicable as long as they do not violate §7 of the Foreign Trade Ordinance or the EU Blocking Regulation (EU) 2271/96 in the amended version.

The experts of the Compliance division are at the disposal of all employees if they have any questions about integrity issues as points of contact. Their contact details are already provided to the employees when joining the company within the scope of the classroom training for new employees and are accessible in the intranet at any time.

For DekaBank including its foreign branches in the United Kingdom of Great Britain as well as Luxembourg and the subordinate companies DekaBank Luxembourg S.A., Deka Investment GmbH, Deka Vermögensmanagement GmbH, Deka Immobilien GmbH, WestInvest Gesellschaft für Investmentfonds mbH, Deka Immobilien Investment GmbH as well as S Broker AG & Co. KG, the risk of corruption was ascertained and assessed within the framework of the so-called Fraud Prevention Forum. In 2018, the Compliance division did not find any internally determined facts, for which a state of affairs of corruption was conclusively present.

Prevention of money laundering and terrorist financing

Through the “group-wide minimum standards for the prevention of money laundering and terrorist financing”, DekaBank, as parent company, defines the applicable obligations within the meaning of the Money Laundering Act (MLA) and the German Banking Act (KWG) on the basis of the annual risk analysis. Thanks to this, transparency is ensured about customers and the underlying shareholder structure in Germany as well as in the subsidiaries.

Whistleblower system

A whistleblower system is part of the Compliance System in the Deka Group. This ensures that indications from employees as well as from external persons of violations of the Money Laundering Act as well as illegal or dishonest acts can be confidentially reported to the external ombudsman of DekaBank. The ombudsman examines the facts and forwards the relevant information to DekaBank while observing confidentiality. He/she, as a lawyer, is thereby subject to the professional obligation of confidentiality. The anonymity and protection of whistleblowers is thus ensured through the whistleblower system.

Data protection

Basics and organisation

The Data Protection unit of DekaBank works towards ensuring 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 DekaBank. The unit is organisationally located in the Compliance division since October 2018 and comprises, in addition to the Data Protection Officer and his/her Deputy, five other employees. The Data Protection Officers are named for DekaBank and its domestic subsidiaries – with the

exception of the subsidiary S-Broker, which has a separate Data Protection Officer. A separate Data Protection Officer has also been appointed for the location of Luxembourg. The Data Protection Officers are not bound by instructions when performing 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.

The objective of the GDPR and the BDSG is to ensure that a person's constitutionally protected personal right is not affected through the handling of his/her personal data. A data protection management system was established to implement the requirements from the GDPR, which came into force in May 2018, as well as from the parallel amendment of the BDSG. This defines, among other things, processes to ensure that the legal requirements of data protection are implemented during the planning, set-up, operation and after decommissioning of processing operations. The processes were documented in a comprehensive data protection concept. This describes, among other things, the aspects to be taken into account during the processing of personal data. These particularly include the protection of the rights of the persons concerned as well as the fulfilment of the obligation to provide information to customers as well as employees.

Raising awareness and knowledge of the employees

The Deka Group's servers filter up to nine million potentially harmful e-mails every month from the inboxes of the employees. Technical filters make a significant contribution; but it is not only here that the behaviour of the individual is important.

The tasks of the Data Protection Officer thus include raising awareness of the employees regarding questions of data protection and providing them with the relevant information on the topic of data protection. On the one hand, this includes the fulfilment of the information obligations pursuant to art. 13 and art. 14 GDPR to teach the employees about the whether and how of the processing of their personal data. On the other hand, the employees' awareness must be raised, for example, through explanation of the most important legal data protection specifications as well as the data security measures for preventing unsafe actions.

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 objective and content of the data protection regulations. In this context, the employees of the Deka Group are obligated in writing for observing confidentiality pursuant to the GDPR.

They must also be informed about their rights and obligations as a person acting in data protection as well as about the risks for the company and for them, which are associ-

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

Audits and reporting

Pursuant to art. 39 para. 1 lit. b) GDPR, it is the responsibility of the Data Protection Officer to monitor the compliance with the data protection regulations of the GDPR and the BDSG as well as other data protection-relevant provisions in DekaBank. This is done mainly through data protection audits in the specialist units. Each data protection audit follows an audit plan and is usually carried out on the basis of spot checks. The results are provided to the specialist units and corrective actions are agreed upon and followed up if necessary.

Within the scope of an established reporting system, the Board of Management and the respective managements of the downstream companies are informed about the detected data protection defects and risks as well as the results from data protection audits. A reporting system has also been implemented for local Money Laundering and Fraud Officers to report systematically to the Group Money Laundering Officers or Group Fraud Officers.

2.7

Customer satisfaction and complaint management

Customer satisfaction

Regular surveys of different customer groups form an important basis for the strategic further development of the products and services as well as the sales orientation of the Deka Group. In the year under review, the Deka Group has, like in previous years, supported the implementation of the Wealth Barometer of the Deutsche Sparkassen- und Giroverband e. V. [German Association of Savings Banks] (DSGV), the results of which were presented to the public by the DSGV President Helmut Schleweis before the World Savings Day 2018 within the scope of a press conference.

On behalf of the association, over 2,700 private persons aged 14 years and above were interviewed all over Ger-

many. In case of the question about factors that play a role in wealth creation, the respondents most commonly mentioned security (45 percent), flexibility (41 percent) and availability (30 percent) of investments. For every fifth respondent (19 percent), preservation of the ecological, economic and social resources is among the three most important factors. This proportion is particularly high among respondents aged between 14 and 29 years (28 percent) as well as among households with medium income (32 percent). The respondents, for whom preservation of the ecological, economic and social resources is an important factor during wealth creation, mainly want more transparency in financial products (73 percent) and a more intensive advice on such products (69 percent) as support.

Within the scope of the biennial survey of the savings banks as intermediaries, an assessment of the sustainability performance of the Deka Group was requested for the first time in November 2018. The result: 90 percent of the respondents (management board members, heads of securities divisions and securities advisers), who commented on the quality of the sustainability services, awarded "excellent", "very good" and "good" ratings; 10 percent voted with "average" and "poor". A total of 31 percent of the respondents did not make any comments.

The importance of sustainability aspects was also one of the central topics of the Deka Customer Monitor, a representative survey of more than 3,000 German citizens aged between 18 and 75 years, which was conducted by order of Deka Investment GmbH in the early summer of 2018. The results show a distribution between an interest expressed and actual activities that is quite typical for surveys on environmental or sustainability topics. 62 percent of the respondents express their interest in sustainable investment; so far however, only six percent have actually invested sustainably.

The market potential of sustainable investments among private investors is thus considerably greater than the present market share. The most important key for its realisation is the comprehensive information of investors about sustainable investment strategies and solutions. Only every fourth respondent feels that he/she is adequately informed about sustainable investments; for two-thirds, consultation from the bank or savings bank advisor is important for this topic and nearly half of the respondents would like to be contacted by the advisor about sustainable investment forms.

Complaint management

The Deka Group has implemented a comprehensive complaints management system for customers, which ensures an effective and transparent procedure for dealing with complaints. Among other things, it regulates that incoming customer complaints should be immediately for-

warded to the competent specialist unit and processed there. Notes and improvement suggestions can also be recorded here from the complaints.

DEVELOPMENT OF THE NUMBER OF COMPLAINTS (TABLE 1)

	31 Dec 2016	31 Dec 2017	31 Dec 2018
Number of complaints	3,515	3,638	6,371 *

* For the first time from 01.01.2018 including 2,640 complaints from customers of S Broker AG & Co. KG as well as customer complaints of Deka Vermögensmanagement GmbH from 01.04.2018

The European Commission has set up a European online dispute resolution platform. Consumers can use it for out-of-court settlement of disputes from purchase or service agreements made online. Customers are also free to contact the ombudsman services of the Association of German Public Banks [VÖB], the DSGVO (this concerned customers of S Broker AG & Co. KG in 2018) and the German Investment Funds Association [BVI] as well as the Federal Finan-


cial Supervisory Authority [BaFin] or the regulator in Luxembourg – the Commission de Surveillance du Secteur Financier [CSSF]. In the year under review, the Deka Group received 41 (2017: 14) complaints via this route. For the first time, this also includes the corresponding complaint processes of S Broker AG & Co. KG as well as Deka Vermögensmanagement GmbH from 2018 onwards. On 01.04.2019, DekaBank shall change from the ombudsman service of the VÖB to the Consumer arbitration board at the DSGVO.

In the reporting period, there were a few complaints with regard to environmental topics and human rights impacts of the activities of the Deka Group, which were submitted via formal procedures. There were no complaints on the topic of corruption.

2.8 Ideas management


The ideas management of DekaBank for the Deka Group has been running since 2015 through a web-based platform. Here, employees of the Deka Group can submit their ideas to improve processes or for new products and services. The crowdsourcing approach of this platform enables

RATING AGENCIES (FIGURE 3)



Rating: 83 out of 100 points
Leader
Ranking: #11 out of 332


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



Rating: AA


MSCI ESG, the sustainability section of MSCI, assesses the quality of sustainability management with a very good **AA rating**.

Thus Deka Group ranks second in its peer group of asset managers.



Rating: C+ (Prime)
Ranking: #8 out of 92

ISS ESG awards Deka Group with the coveted oekom Prime Status. It is only given to banks which meet the strict requirements of the agency regarding the quality of the sustainability management. With an overall grade of **C+** Deka Group reaches a top-10 ranking among 92 analysed banks.



Sustainability Rating: positive (B)
Mortgage Covered Bonds: positive (BBB)
Public Sector Covered Bonds: positive (BB)

Imug rating classifies its ratings into the categories sustainability rating (issuer rating) and bond rating, subdivided into mortgage covered bonds and public sector covered bonds.

As a result, Deka Group achieved the best result since the beginning of the rating by this rating company.

participation of the employees in the further development and evaluation of the published ideas. Even information on potential problems and risks is helpful for the relevant specialist area in deciding whether an idea should be implemented.

Besides the Deka Group, 27 other savings banks or affiliated institutes use the platform hosted by Sparkassen-Finanzportal for their ideas management. Future further developments of the platform can be expedited together with the savings banks. The exchange takes place via a user meeting held at least once a year.

In 2018, the employees submitted a total of 116 ideas, of which 77 were published on the platform. A high proportion of the ideas contained suggestions for improvement of processes (47 percent). Ideas from the field of environment constituted nine percent. These mainly included suggestions for sustainable mobility and for waste avoidance.

Five ideas were awarded with cash prizes amounting to a total of 11,400 euros; 27 other employees received gifts. In this year, suggestions from the ideas management have resulted in more revenue or reduced expenditure totalling over 169,600 euros.

2.9 Sustainability ratings

Numerous national and international surveys show that between 60 and 70 percent of the institutional investors already consider sustainability criteria in their investment today. Through the anchoring of ESG-related requirements, for example, in the directive on the activities and supervision of institutions for occupational pension (EbAV II) and other regulatory frameworks, this proportion shall continue to grow in the coming years according to the estimation of experts. The Federal Financial Supervisory Authority (BaFin) has conducted a survey on the consideration of ESG criteria during the investment for the first time in the spring of the year under review. Addressees of the survey consisted of German direct insurance and reinsurance companies. About 73 percent of the respondents classified their investments as sustainable.

For issuers of securities, it is becoming more and more important to qualify their securities as “sustainable investment” considering the increasing proportion of sustainable investors. This is based on a positive assessment by sustainability rating agencies that are established in the market. On behalf of investors, they regularly assess the quality of the sustainability management of issuers and thus provide the basis for the investment decisions of investors.

Even for DekaBank as an issuer of public bonds, mortgage bonds and bearer bonds, it is important to meet the

requirements of sustainability rating agencies to place its bonds successfully in the market. At the same time, the requirements of key stakeholders of the Deka Group, such as environmental organisations, human rights organisations and trade unions, are reflected in the criteria used by the agencies. In addition, the Deka Group uses the sustainability ratings as a basis for a regular analysis of the strengths and weaknesses even in comparison with other banks.

The current sustainability ratings demonstrate the above-average commitment of the Deka Group in the area of sustainability in the sector comparison. In the year under review, the Deka Group was again given a very good rating AA by MSCI ESG and thus reached rank 2 in the comparison group of asset managers. ISS-oekom again distinguished the Deka Group with the Prime Status. With a C+ rating, the Deka Group could place itself among the world's 10 best rated banks. COMPARE FIGURE 3

IN FOCUS

The EU action plan on financing sustainable growth

In its Climate Protection Strategy submitted in December 2018, the EU commission estimates the additional investment requirement for achieving the European climate targets to be 290 billion euros per year. To finance these investments, the EU commission wants to mobilise private capital and redirect it into projects, which contribute to the striven decarbonisation of the economy and society.

In order to achieve this, the EU Commission has laced up a package of a total of ten measures within the framework of its action plan on financing sustainable growth already submitted in March 2018; these measures must largely be gotten off the ground up to the European elections in the summer of 2019 (COMPARE FIGURE 4). When defining the ten measures, the EU Commission has closely followed the recommendations of the High Level Expert Group on Sustainable Finance (HLEG), which had submitted its final report for stronger anchoring of sustainability factors in the financial market at the start of the year under review. Through the implementation of the ten measures, the EU Commission wants to achieve three objectives on priority.

MEASURES OF THE EU ACTION PLAN ON FINANCING SUSTAINABLE GROWTH (FIGURE 4)

- 1 Establishing an EU classification system for sustainable activities
- 2 Creating standards and labels for green financial products
- 3 Fostering investment in sustainable projects
- 4 Incorporating sustainability when providing financial advice
- 5 Developing sustainability benchmarks
- 6 Better integrating sustainability in ratings and market research
- 7 Clarifying institutional investors' and asset managers' duties
- 8 Incorporating sustainability in prudential requirements
- 9 Strengthening sustainability disclosure and accounting rule-making
- 10 Corporate governance and undue capital market short-termism

OBJECTIVE 1

Reorientation of capital flows towards sustainable investments

The central objective of the EU action plan is to reorient capital flows to sustainable investments. This objective is directly pointed at the financing of the addressed investments in climate and environmental protection, which are required for the fulfilment of the Paris Agreement. Measure #1 of the action plan, the “taxonomy of sustainability” has central importance in order to achieve this objective. More than 25 years after the Earth Summit in Rio de Janeiro, where the concept of sustainability was declared as the global leitmotif, an attempt is being made for the first time to clarify the question as to what a sustainable activity concretely means. First of all, climate and environmental protection aspects are thereby in the foreground; social aspects of sustainability should also be defined later.

In a first step, the EU Commission has defined six environmental objectives, which serve as a reference for determining climate- and environmentally-friendly activities. According to these, an economic activity is sustainable if it serves, for example, for the climate protection or for the adaptation to climate change. At the same time, it may not have negative impacts on any of the six environmental objectives; for example, it may damage neither water and marine resources nor ecosystems. Finally, minimum technical criteria must be complied with and minimum social requirements with regard to the core labour standards of the International Labour Organisation (ILO) must be observed. At the beginning of December 2018, the Technical Expert Group (TEG) appointed by the EU Commission has submitted a first catalogue of activities that are sustainable in this sense; the final interim report for climate and environmental aspects is expected for June 2019.

Besides the taxonomy, two more measures, for which the EU Commission has already published the first suggestions in the course of the year under review, should support the achievement of the first objective of the EU Commission. This includes, on the one hand, the mandatory consideration of ESG criteria in the investment advice. The objective is to ask about ESG preferences of the customers and to thus arouse or sharpen the awareness of the investors for the possibilities of sustainable investment. Experts expect that the corresponding specifications shall enter into force in mid-2020.

On the other hand, the EU Commission has submitted a suggestion for amendment of the benchmark regulation. The objective is to develop a new family of indices, which serve the investors as a benchmark for determining climate effects – the carbon footprint – of their own investments. Here, the currently ongoing discussions indicate that extensive coordination is still required for the implementation of this measure.

Beyond these three measures, further measures are being worked on that aim at defining green or sustainable investments and making them better identifiable for investors. These include the development of standards and indicators for sustainable products, e.g. of binding standards for green bonds, as well as the promotion of investments in sustainable projects.

OBJECTIVE 2

Inclusion of sustainability in the risk management

The second objective of the EU action plan, the stronger inclusion of ESG criteria in the risk management, is based on the knowledge that, for example, climate change is accompanied by risks for the economy and thus for the capital markets. In the year under review, the EU Commission has firstly pursued the question as to whether it is not one of the duties of investors to consider these and other ESG risks during the investment. While the discussion in the past focussed on the fiduciary responsibility of investors, the EU Commission here speaks about the responsibility of the investors in general.

According to the perceptions of the EU Commission, financial market participants should mainly be obligated to prepare, publish and implement a strategy for the consideration of sustainability risks in investment decision processes. According to the current state of planning, suggestions for amendment of the existing regulations, e.g. the Markets in Financial Instruments Directive II (MiFID II), should be submitted to the EU Commission by the end of 2019.

In addition, the financial market participants should provide information on the methods they use to monitor, measure and evaluate the effects of investments. For individual groups of investors, e.g. institutions of occupational pension, more obligations for the consideration of ESG criteria are applicable. Other planned measures, which should contribute to achieving the second objective of the EU action plan, concern greater consideration of ESG criteria in market analyses and ratings as well as the adaptation of the supervisory rules for banks and insurance companies.

OBJECTIVE 3

Promotion of transparency and long-term orientation

The third objective of the EU action plan is the promotion of transparency and long-term orientation towards the financial markets. For this purpose, disclosure and accounting standards should be adapted and long-term consideration of the capital markets should be promoted. In this context, the EU Commission has mainly requested the European Financial Reporting Advisory Group (EFRAG) in a first step to assess the potential impacts of new or revised IFRS standards on sustainable invest-

ments as well as to check reliable alternative accounting methods to evaluate the fair value to be attached for long-term investment portfolios of equity instruments and equity-like instruments. The EU Commission also wants to examine possible types of promotion of corporate governance that establish the framework conditions for sustainable finance.

INTERIM CONCLUSION

The EU action plan is so far the most comprehensive and ambitious project for the anchoring of ESG criteria in the financial market at European and probably global level. It ranks prominently in a whole package of measures of the EU Commission, with which the consideration of ESG criteria in the financial markets should be promoted. This includes the CSR guideline for non-financial reporting, whose result is this sustainability report of the Deka Group, as well as the reform of the directive on the activities and supervision of institutions for occupational pension (EbAV II) and the reform of the directive with a view to promoting the long-term participation of the shareholders (shareholder rights directive ARUG II), all of which include ESG criteria in one form or another.

The Deka Group supports the objectives of the EU action plan of involving the financial industry as a whole more strongly in the achievement of the Paris climate objectives. Even if climate change has special importance due to its drastic consequences, other objectives may not be let out of sight. These include, in particular, the global development goals for the year 2030 defined in the UN Sustainable Development Goals (SDGs). The taxonomy must therefore also be extended by social investments as soon as possible.

The first suggestions of the EU Commission already show impressively as to how complex and multi-layered the EU's project is – and how far-reaching the effects on all business areas of banks are. On the basis of its extensive experience in dealing with the challenges of sustainable development, it is, from the Deka Group's point of view, essential for the success of the action plan to find as practical regulations as possible in order to ensure a speedy and effective implementation of the measures in the financial market.

Thereby, the expenses incurred by the financial sector must be in a reasonable proportion to the benefit for the achievement of the climate or sustainability objective. According to the Deka Group's conviction, the principle of proportionality must particularly be taken into account here. Rules that have been developed for large, internationally active banks should then not be applied one-to-one to small and less complex institutions in the sense of a "small banking box" in order to limit their administrative expenses. The corresponding regulations from the "bank package" adopted at the beginning of December 2018 are a role model in this respect.

As of: December 2018

3. Sustainable products

The market for sustainable investments continued to grow in recent years. At the end of November 2018, the European industry association Eurosif could report new record figures for sustainably invested capital. Accordingly, 9.5 billion euros alone were invested with the use of sustainability-related exclusion criteria in Europe at the end of 2017. Besides positive criteria, exclusion criteria are also considered in the sustainability funds of Deka Investment GmbH as well as in the individual asset management mandates of institutional investors. Also, for the lending business, the Deka Group has already defined transactions that are qualified as undesirable or as being afflicted with increased risk a few years ago within the scope of a negative list. In the year under review, the Deka Group has now also developed and adopted a positive list. It includes investment fields, in which it wants to be involved more.

3.1 Sustainability in investment

In the field of investments, distinction is made between proprietary investments and investments managed in the customer order. While DekaBank considers the requirements of the owners on priority during the investment for its own account, the specific – even sustainability-related – requirements of the individual customer groups should be kept in mind in case of the fiduciary capital management for a third account.

3.1.1 Investments for own account

As a pioneer among system-relevant banks in Europe, DekaBank has implemented a sustainability filter for the new investments across its proprietary investments, which was developed in cooperation with the sustainability rating agency imug. Since 01.07.2014, the filter is used for new investments in investment books of DekaBank. At the core of the filter is, based on the UN Global Compact, a catalogue of exclusion criteria in the fields of environment, human and labour rights as well as corruption. Possible involvement of companies in the defence sector is also considered. Issuers of securities, which violate one or more of these exclusion criteria, are excluded from investment. As of 31.12.2018, 100 percent of the proprietary investments in securities with a volume of approximately 15.6 billion euros were managed using the criteria of the proprietary investment filter.³

With the Deka Treasury-Compass, the savings banks have the opportunity to carry out a sustainability check for their proprietary investments. As an analysis instrument, the Treasury-Compass also contains information about the deposit A structure and provides helpful control impulses to savings banks. The savings banks can optionally use a sustainability filter, which was developed by the sustaina-

bility rating agency imug rating and is also based on the principles of the UN Global Compact. In 2018, around 160 savings banks have had a sustainability analysis carried out for their direct portfolios on the basis of the Treasury-Compass. As a result, over 99 percent of the assets correspond to the sustainability criteria.

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

3.1.2 Investments for third account

3.1.2.1 Capital market-based investment products

3.1.2.1.1 Funds and other capital market-based investment solutions

Deka Investment GmbH has already expanded the classic triangle of investment – return, risk and liquidity – by sustainability aspects a few years ago. The funds managed by Deka Investment GmbH do not invest in companies, which produce anti-personnel landmines or cluster munitions (“cluster bombs”). In the year under review, the exclusions in the mutual funds managed by Deka Investment GmbH were extended by manufacturers of handguns. Moreover, the Deka Group issues no products, which directly track the price development of foodstuffs.

³ Without S Broker AG & Co.KG

The non-governmental organisation Facing Finance positively underlines the arms-related regulations of DekaBank in a market analysis published in the year under review: “In case of the topic of arms exports that is discussed controversially in public, only a few banking houses have so far adopted concrete directives. A positive figurehead among the conventional banks is here DekaBank, which affords a directive that basically excludes financings in connection with arms transactions (financing of deliveries and production and trading companies).”

With the Deka-Sustainability product range, private investors can invest in equity, bond or mixed fund portfolios, which correspond to the specific criteria of sustainable investment. The “Deka-Sustainability” funds family includes the three funds Deka-Nachhaltigkeit Aktien, Deka-Nachhaltigkeit Renten and Deka-Nachhaltigkeit Balance. Repeated awards for the Deka-Sustainability Bonds show that sustainability criteria and a good performance are not mutually exclusive. The offer also includes the asset management fund DekaSelect: Nachhaltigkeit as well as the equity fund Deka-UmweltInvest, which exclusively invests in companies from the fields of climate and environmental protection, water management and renewable energy.

With bevestor, the Robo-Advisor solution of the Deka Group, the customers of the savings banks now also have a simple, professional and purely digital investment solution at their disposal in addition to the qualified and integrated securities advisory services in the branch. With the “Select” and “Relax” variants, it offers the opportunity to invest money automatically according to a scientifically substantiated investment concept and to have it managed within the scope of professional asset management. While the investment concept “Relax” has an active management strategy in the foreground, “Select” is a quantitative strategy mainly on the basis of index funds (ETFs). In addition, the investors also have the opportunity to consider up to three additional investment topics from a total of five thematic areas. The choices here are, among other things, the topics of infrastructure, sustainability and climate change.

In case of bevestor, the conclusion of contract and the management are completely online and thus paperless. Firstly, an investment assistant guides the customer to his/her personal investor type with a few questions about his/her willingness to take risks, his/her knowledge of securities and his/her desired investment period. According to this information, a suitable investment strategy is then recommended. One can then invest directly even with an investment amount of 25 euros per month or 1,000 euros one-time.

Already at the end of 2015, Deka Investment GmbH has published the index fund Deka Oekom Euro Nachhaltigkeit

UCITS ETF [Deka Oekom Euro Sustainability UCITS ETF] for institutional investors in cooperation with the sustainability rating agency oekom research (today: ISS-oekom). The two funds Deka-Stiftungen Balance [Deka-Foundations Balance] and Deka-Kirchen Balance [Deka-Churches Balance] are also directed at institutional investors. Detailed profiles of all funds can be found under <https://www.deka.de/privatkunden/produkte/fonds/nachhaltigkeitsfonds>.

Deka Investment GmbH also offers individual investment solutions to institutional investors, in case of which the respective sustainability-related requirements, e.g. specific exclusion criteria, are taken into account comprehensively. When implementing these individual strategies, Deka Investment GmbH works with renowned sustainability rating agencies that provide information on the sustainability performance of individual issuers as well as on possible violations of the respectively defined exclusion criteria by these issuers.

Among institutional investors, there is a significantly growing interest in approaches for the measurement of the sustainability-related impact of investments. For this purpose, Deka Investment GmbH mainly offers analyses of the carbon footprint of portfolios and of their influence on the achievement of the UN SDGs in cooperation with specialised data providers.

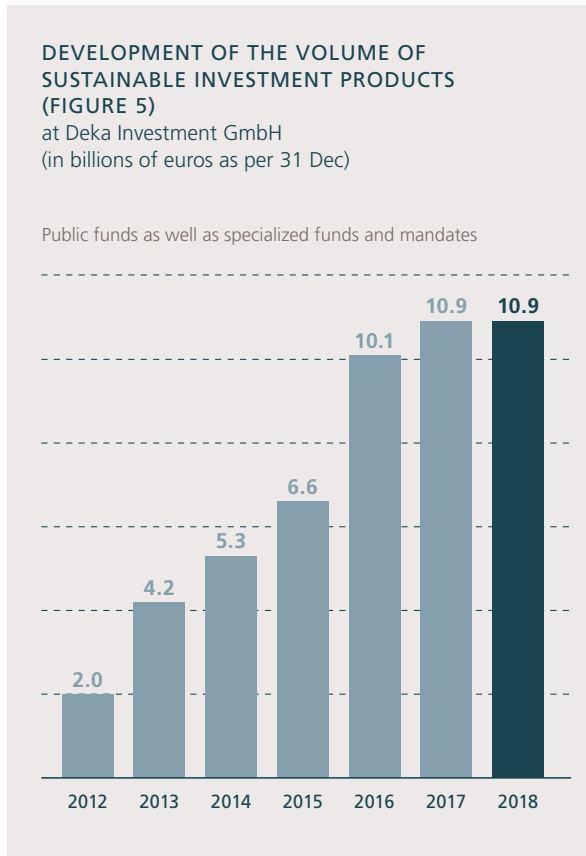
Sustainable securities investments are possible in the DekaBank Depot [DekaBank securities account] even from 25 euros onwards. The Deka-Nachhaltigkeit Aktien fund is also suitable for the investment in capital-forming benefits. Since January 2017, customers can, upon conclusion of the Deka-ZukunftsPlan [Deka Future Plan], a Riester fund savings plan, choose the Deka-Nachhaltigkeit Aktien fund as share component and the Deka-Nachhaltigkeit Renten fund as bond component in the Select version and thus invest in sustainable funds in the save-up period.

In the private customer area, Deka Investment GmbH managed a total of approximately 3.1 billion euros in sustainable products at the end of 2018, 17 percent more than that at the same time in the previous year. For institutional customers, the volume of sustainable investments as of 31.12.2018 was around 4.9 billion euros (without S Broker AG & Co.KG).

In total, the volume of sustainable investment products in Deka Investment GmbH is thus over 8 billion euros. The proportion of sustainable securities funds in the total assets under management in the securities area was around 4 percent at the end of the year 2018.

If one adds the proprietary investments of around 2.9 billion euros in special funds (including S Broker), which are managed using the criteria of the proprietary investment

filter, this results in a total volume of 10.9 billion euros of sustainably managed investments in Deka Investment GmbH. COMPARE FIGURE 5



If one also considers the 15.6 billion euros of investments for own account as well as the investment of the fund liquidity of mutual and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH in the amount of 5.4 billion euros, which are managed using sustainability criteria (COMPARE CHAPTER 3.1.2.2.1), this results in a total volume of sustainably managed investments of approximately 31.9 billion euros in the Deka Group. This corresponds to a share of 18.7 percent in the total sustainably managed investments (171 billion euros as of 31.12.2017) in Germany according to the calculations of Forum Nachhaltige Geldanlagen (FNG).

3.1.2.1.2 Corporate dialogue and exercise of the right to vote

The direct dialogue with the companies, whose shares and bonds are held by an investor, and the exercise of the voting right at annual general meetings associated with the shares are instruments of sustainable investment that are gaining on importance. All over Europe, approx. 4.9 billion euros were managed using these two strategies at the end of 2017 according to Eurosif. As measured by the capital influenced, they were the second most important sustainable investment strategy after the use of exclusion criteria.

Deka Investment GmbH uses voting and involvement to protect the value of its investments and to support sustainable development in the companies.

Direct corporate contacts

In the reporting period, analysts and fund managers of Deka Investment GmbH contacted companies more than 1,500 times. In these discussions, depending on the industry and business model of the company, social and environmental aspects of business activity were regularly addressed in addition to corporate governance issues.

When determining the key topics for the corporate dialogues, Deka Investment GmbH is guided by international principles and objectives. These include, in particular, the principles of the UN Global Compact and the ILO core labour standards as well as the UN SDGs, the climate objectives of the European Union and the requirements of the Task Force on Climate-related Financial Disclosure (TCFD). The risks associated with climate change and the possible impacts of decarbonisation on the business model of companies were key topics for the direct talks with the companies in the reporting period. In the year under review, for the protection of its investments, Deka Investment GmbH promoted development of a strategy for CO₂-free mobility from automotive manufacturers and a business strategy towards CO₂-free energy production is expected from energy suppliers. Deka Investment GmbH has also addressed both these issues in annual general meetings of numerous companies.

In cases, where the analysts encounter deficits in the handling of the principles of sustainable development or the specified principles and objectives within the scope of their corporate analyses, these are addressed in the direct discussion with the companies. Where it makes sense, Deka Investment GmbH consorts with other investors, for example, within the scope of the PRI. If these deficits are not rectified by the company, the company can be removed from the investment universe. 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

In 2018, Deka Investment GmbH actively voted at 295 annual general meetings on a total of 3,509 agenda items. In about every third case, it voted against the proposals for decision. Representatives of Deka Investment GmbH spoke at ten annual general meetings. Deka Investment GmbH does not limit the exercise of voting rights to Germany, but perceives the shareholder rights at annual general meetings worldwide.

In the year under review, Deka Investment GmbH has also actively addressed other ESG issues in addition to govern-

ance aspects. For example, at the annual general meeting of RWE, the representative of Deka Investment GmbH formulated the expectation that the energy group withdraws from the brown coal conversion as quickly as possible and accelerates the expansion of renewable energies by CO₂-free power supply. In connection with the clearing of the Hambach Forest in September of the year under review, Deka Investment GmbH expressed itself via Twitter: “As shareholders, we do not have any benefit from an escalation. On the contrary, we see the risk of RWE unnecessarily jeopardising its reputation and future viability. In view of the acute situation in the Hambach Forest, we expect RWE to stop the clearing work up to the completion report from the Coal Commission.”

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

The Shareholders’ Rights Directive also obligates institutional investors and asset managers to create more transparency in relation to their investment strategies, their cooperation policy and its implementation. Today, Deka Investment GmbH has already defined the central focal points for its voting behaviour in its “Principles of Voting Policy in Annual General Meetings”, which are also published on the website as an overview of annual general meetings, at which Deka Investment GmbH has voted in 2018 (COMPARE <https://www.deka.de/privatkunden/ueberuns>).

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

Protection of the investors’ interests

As one of the largest asset managers in Germany, Deka Investment GmbH acts in accordance with the investment code in the interest of investors in the special assets managed by it in trust. It is part of its duties to represent the interests of all investors also vis-à-vis the companies, in whose securities the special funds invest.

This is why it filed suit against Volkswagen AG in order to clarify as to whether the automobile group has violated due diligence and disclosure obligations in connection with the use of manipulation software in diesel vehicles. In this context, Deka Investment GmbH also asserts so-called tort damages, because the management of Volkswagen AG has intentionally harmed the shareholders of Volkswagen AG in an immoral way through its conduct.

In sample proceedings, the Higher Regional Court in Brunswick has determined Deka Investment GmbH as model plaintiff. The model plaintiff is selected by the court and not at the request of a certain plaintiff. The oral hearing has started on 10.09.2018; due to the complexity of the issue, it is still open as to when the negotiations shall be completed.

3.1.2.1.3 Activities to promote sustainable investment

International initiatives

At the beginning of March 2018, the EU Commission has presented its action plan “Financing Sustainable Growth”. The objective of the action plan is to involve the financial market more strongly into the financing of the ambitious climate and environmental objectives of the European Union and to mobilise private capital for the financing of the necessary investments (COMPARE IN FOCUS: “The EU action plan on financing sustainable growth”). The Deka Group closely accompanies the implementation of the measures by the EU Commission and is actively involved in the discussions, especially at national level (COMPARE SECTION NATIONAL INITIATIVES).

At the international level, the signing of the PRI by Deka Investment GmbH in 2012, which has already been addressed, should be highlighted (COMPARE CHAPTER 2.5). Deka Investment GmbH reports annually about the measures to implement the six PRI principles within the framework of the PRI Progress Report.

Since November 2016, DekaBank has been a member of the Green Bond Principles, which serve internationally as a decisive guideline for the issuing process of “green securities”. The principles were developed under the ICMA (International Capital Market Association), whose membership is held by DekaBank, within the framework of the cooperation of issuers, banks, investors and environmental organisations. In 2017, the Green Bond Principles were expanded by Social Bond Principles and Sustainability Bond Guidelines and have thus laid the foundations for an ever-expanding market of sustainable bonds.

DekaBank acts not only as an investor, but also as an arranger of sustainable bonds in the capital market in order to meet the increased demand for sustainable securities on the part of investors. In 2018, DekaBank again

acted as a Lead Manager in the issue of Climate Awareness Bonds by the EIB (European Investment Bank), the pioneer and the most active green bond issuer in the market. In addition, DekaBank was part of the consortium for the first Sustainable Awareness Bond of the EIB, placed on the market in the year under review.

At the end of 2018, DekaBank signed the contracts for the partnership with the Climate Bonds Initiative (CBI). Founded in 2009, the initiative has set itself the goal of involving the international bond market more strongly in the financing of climate protection and, in particular, also of supporting the further market development for green and climate bonds.

Deka Investment GmbH has also joined the British Initiative Farm Animal Investment Risk & Return (FAIRR). This collects data on sustainability standards of companies, which operate in mass husbandry and industrial agriculture.

National initiatives

Based on the developments at the European level, the discussion on the topics of green and sustainable finance has intensified further even in Germany. After several initiatives were founded in this range of topics in 2017, there was a consolidation and bundling of forces in the year under review, which is welcome from the point of view of the Deka Group.

The Green and Sustainable Finance Cluster Germany (GSFCG), which has resulted from the consolidation of the Green Finance Cluster of the Hessian Ministry of Economics and the Accelerating Sustainable Finance Initiative in the year under review, should be named here in particular. The objective of the cluster is to position itself as a competence and dialogue platform of the financial sector to help achieve the German climate and sustainability goals. DekaBank supports this initiative financially.

The Hub for Sustainable Finance (H4SF) was initiated by Deutsche Börse and the German Council for Sustainable Development (RNE). The hub is an open network of financial market actors and other stakeholders who actively contribute to a sustainable finance system in Germany. In the year under review, it was host of the second Sustainable Finance Summit Germany, where DekaBank has participated actively.

DekaBank is also a member of Forum Nachhaltige Geldanlagen e.V. (FNG) and Corporate Responsibility Interface Center e.V. (CRIC), a charitable association for the promotion of ethics and sustainability in investment. With over 100 members, CRIC encourages constructive dialogue between companies, politicians and financial market towards a general awareness of ethical and sustainable investments.

DekaBank is already involved in the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU) since 2007. Since 2016, the Head of Sustainability Management of DekaBank, Johannes Behrens-Türk, is also working as a member of the Board of Management in VfU in an honorary capacity. Founded in 1995, the network of Sustainable Finance professionals comprising nearly 50 banks, insurance companies and investment companies is committed to the promotion and dissemination of a comprehensive approach to the management of economic, social and environmental dimensions of the financial business to facilitate a substantial progress towards sustainable development. The VfU annual meeting, which is held in cooperation with the United Nations Environment Programme Finance Initiative (UNEP FI), dealt with the numerous fields of action of "Sustainable Finance" in the year under review.

3.1.2.1.4 Investor information and promotion of the dissemination of financial knowledge

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

The transparency logos used by Deka Investment GmbH for its sustainability funds serve for investor information. Therefore, all sustainability funds mentioned above bear the transparency logo of the European industry association Eurosif. In this context, Deka Investment GmbH has voluntarily committed to publishing accurate, adequate and up-to-date information particularly in order to enable investors to 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 120 webinars every year, where customers and other interested persons can obtain basic and expert knowledge around investment live and free of charge. On an average, around 75 participants follow the mailings.

Planspiel Börse (COMPARE CHAPTER 6.2) supports DekaBank not only financially, but also with know-how. Dr. Michaela Hönig, from the Board of Management of DekaBank and Professor of General Business Studies at the Frankfurt University of Applied Sciences since 2017, is a member of the Scientific Advisory Council for Planspiel Börse Germany.

3.1.2.2 Real-estate-based investment products

3.1.2.2.1 Sustainability strategy in the business field of Real Estate Asset Management

The Real Estate Asset Management business field (AMI) has translated the principles for sustainable corporate governance of DekaBank into its own business-related sustainability strategy. For the various measures to implement the strategy in the years 2017 to 2019, the following five benchmarks are applicable:

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

Since the beginning of 2018, the business field of AMI uses a sustainability filter for the fund liquidity of mutual and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH. In essence, it is based on the ten principles of the UN Global Compact and excludes various controversial business fields. As of 31.12.2018, approximately 5.4 billion euros were managed using the filter.

3.1.2.2.2 Facilities and management of buildings Reduction of the energy consumption in buildings

In the year under review, the foundations for the installation of digital technologies in the existing buildings of the real estate fund were laid, through which the energy efficiency should be increased and thus, the CO₂ emissions should be reduced significantly. This is achieved through the use of a dynamic computer model, which also considers the respective use and the physical behaviour of buildings including their systems engineering in addition to the weather. Comprehensive energy monitoring facilitates recording of energy consumption data and its processing in a central analysis and reporting tool. The analyses provide a sound basis for optimisation measures in the existing properties.

Through the corresponding measures, not only energy savings between 20 and 25 percent can be achieved, but the new technology should also lead to an increase in tenant satisfaction and contribute to the increase in tenant loyalty. Additionally, the costs for the maintenance of the properties can be reduced and the ancillary costs can be optimised. Finally, the properties are prepared for possible regulatory requirements with regard to the documentation of CO₂ emissions.

Within the scope of pilot projects in first existing properties, first practical experiences with the technology were gathered in the year under review. The start of the comprehensive introduction of the technology in cooperation with a specialised PropTech company is planned for 2019.

Use of renewable energies

In the year under review, additional efforts were taken to further increase the proportion of properties that obtain electricity from renewable energies and CO₂-neutral gas. At the end of the year under review, around 70 percent of the properties in Germany in the special assets of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH procured 100 percent of its power for the general and vacant areas in the form of green electricity and gas.

3.1.2.2.3 Certifications

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

At the end of the year under review, a total of 233 properties in the value of approximately 24.9 billion euros were certified, 108 properties alone with a volume of around 9.5 billion euros in Germany. In relation to the entire real estate assets of Deka funds, a certification rate of about 69 percent was achieved as of the end of 2018. As compared to the previous year, the rate has increased by one more percent. COMPARE FIGURE 6

3.1.2.2.4 Communication and memberships

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

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

The exchange is also supported by the memberships of the business field of AMI with the Federal Association of Investment and Asset Management (BVI) as well as the German

Property Federation (ZIA). As members of the BVI, Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH independently and appropriately consider the voluntary principles and codecs defined in the rules of conduct (WVR) of the BVI and develop these further via the BVI. The BVI rules of conduct formulate a standard for good and responsible handling of the capital and the rights of investors. They show as to how the capital management companies meet the duties vis-à-vis investors and how they represent their interests vis-à-vis third parties.

Representatives of the business field also regularly participate in meetings of the working groups “Responsible investment” and “Sustainability in real estate funds” of the BVI as well as in the working group “Climate Protection Plan 2050/Inventory” of the German Property Federation (ZIA) to learn more and exchange experiences about current political and legal developments.

3.1.2.2.5 External ratings

In the annual assessment of all relevant open real estate funds in Germany by the rating agency Scope, a constantly high sustainability orientation as well as a very high certification rate in the sector comparison was again certified. Within the framework of the ratings, Scope analyses numerous aspects, mainly the use and production of renewable energies, the average distance of the properties from public transport as well as the CO₂ emissions.

In total, the providers of open-ended real estate funds had certified the sustainability quality of 379 properties with a market value of a total of approximately 46 billion euros at the end of 2017 according to Scope. Almost half of this volume was attributable to the public funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH.

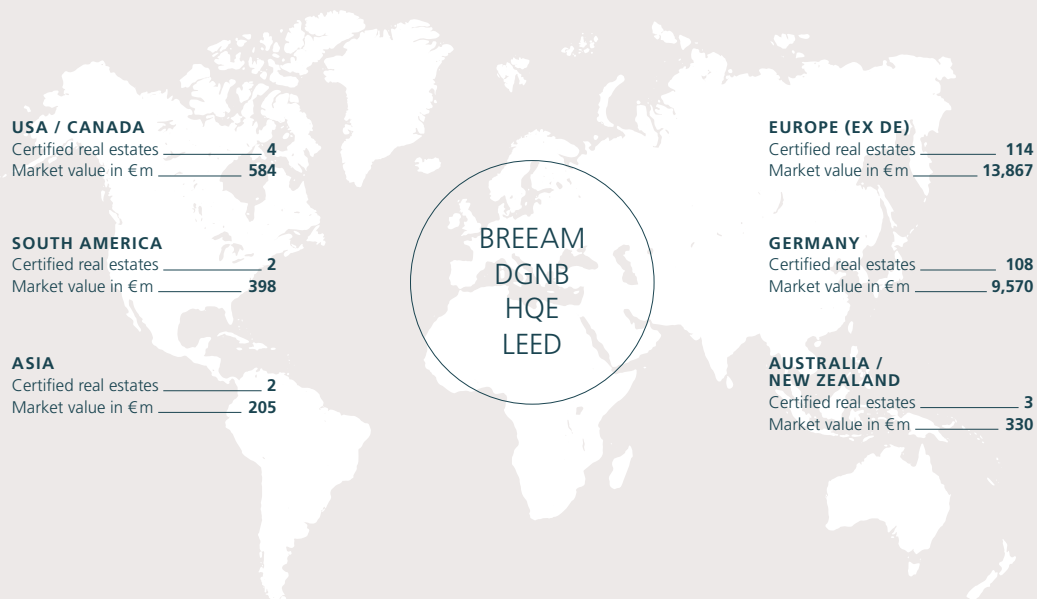
3.2 Sustainability in lending

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

3.2.1 Funding principles

Lending business is based on the credit risk strategy of the Deka Group. On the basis of the objectives and crash barriers set out in the business strategy of the Deka Group, it defines the framework for action for all financing activities. With regard to the consideration of ESG criteria in the lending business, the Deka Group has already excluded

WORLDWIDE CERTIFICATIONS AS AT 31.12.2018 (FIGURE 6)



Version 31.12.2018; BREEAM: Building Research Establishment Environmental Assessment Methodology; DGNB: Deutsche Gesellschaft für Nachhaltiges Bauen; [German Sustainable Building Council]; HQE: Haute Qualité Environnementale (High Quality Environmental Standard); LEED: Leadership in Energy and Environmental Design

different types of financing (negative list) for several years. In addition, the Deka Group has defined sustainable investment fields, in which it wants to be more active (positive list), for the first time in the year under review.

Positive list

The positive list adopted by the Board of Management includes investment fields, in which the Deka Group aims to acquire more sustainable financing or to support the extension of these investment fields. Leitmotif when defining the corresponding investment fields was the potential contribution of the financing to meet the UN SDGs.

DekaBank supports or acquires

- Financing, which aims at electricity production from renewable energies and its transport or storage.
- Financing, whose objective is the modernisation of production facilities, whose implementation is associated with a significant CO₂ reduction of the production (the aim is a reduction of at least 30 percent).
- The financing of banks, which contribute to the development or expansion of structures similar to savings banks in countries outside the OECD and were attested by the Internationale Sparkassenstiftung.
- More financing of cargo and passenger ships, which minimise their pollutant emissions in accordance with the state-of-the-art technology.
- More financing of ships, which contribute to waste reduction of the world's oceans thanks to their technology.
- Financing of aircraft, whose production and management meet the highest possible environmental standards.
- Financing for the modernisation and expansion in the rail freight traffic.
- Financing for supporting the digitisation and the related infrastructure.
- Real estate financing for buildings, which have an even energy balance in their operation (zero-energy buildings) or which fulfil the cradle-to-cradle approach.

Negative list

The Deka Group has qualified the following transactions as undesired and/or afflicted with increased risk content also to avoid reputational risks. The list has been extensively expanded in the year under review. On one hand, the additional criteria relate to financing with significant risks to the environment, and on the other hand, to the exclusion of speculative transactions in connection with foodstuffs. The following transactions can be made only with an exceptional approval of the Board of Management:

- Transactions which could have a lasting negative effect on the public trust in or the reputation of the Deka Group through public reporting (among other things, on the basis of socio-cultural, ethical aspects) on the financing itself, a business partner, the business practice or the country (home country or risk country)
- Credit transactions of a speculative nature or a very unusual type of risk (among other things, credits within

the meaning of the ECB guidelines, highly-leveraged transactions)

- Speculative real estate financing within the meaning of art. 4 (1) no. 79 CRR⁴
- Finance in connection with weapons transactions (financing of deliveries and production and trading businesses)
- Finance, which could pose significant dangers to the environment, e.g.
 - Uranium mining
 - Development, construction and operation of nuclear/coal power plants
 - Hydro power plants in recognised protected areas (nature protection 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 verified.
 - 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 production in the Arctic (Arctic Drilling)
 - Extraction and production of palm oil
- Financing in connection with mountain top removal mining (check the OECD environmental guidelines for reference points)
- Financing in direct relation with the manufacture and sale of tobacco
- Project financing, which does not meet the requirements of the Equator Principles (EP): the EP include social and environmentally-friendly standards and refer to the guidelines drawn up by the International Finance Corporation (IFC) as well as the industry-specific Environmental Health and Safety Guidelines (EHS)
- Financing of speculative transactions with basic foodstuffs
- Transactions with a country and borrowers in a country on the "Negative list for risk countries"
- Venture capital financing
- Financing companies in the pornography industry or similar industries (sex industry)
- Financing of companies involved in controversial forms of gambling (betting offices, game halls, etc.)
- Financing of companies that violate internationally recognised principles in the area of human rights and labour rights (ILO Declaration on Fundamental Principles and Rights at Work)

⁴ CRR: Capital Requirements Regulation; European capital adequacy regulation for banks and financial service providers within the scope of Basel II

- Financing of enterprises without evidence of experience or in new markets, which are not comparable with the home markets

Within the scope of the credit approval process, all involvements pending for decision are checked by the market unit and the back office even for possible environmental and/or reputational risks – i.e. the possible exclusion of the financing on the basis of the negative list. If it is assessed in these specialist units that the possible involvement could be associated with increased environmental and/or reputational risks, the Sustainability Management is given a separate audit order. The focus of this separate audit of the bank's sustainability experts is then on ESG criteria including the effects on biodiversity. In the year under review, the Sustainability Management has conducted 17 separate audits.

3.2.2 Real estate financing

In commercial real estate financing, DekaBank is focused on financing in transparent markets with existing market liquidity and secure legal environments, which, due to their size, transparency and liquidity, are of central importance for the whole of the business field. In the countries, where this is possible, the ability of the loan to serve as collateral is sought in principle. In addition to classic investors and project developers, customers in focus also include Real Estate Investment Trusts (REITs), real estate companies, pension funds and German open real estate funds at the level of individual projects. At the end of the year under review, there was real estate financing in Germany, France, Great Britain, Italy, Ireland, Canada and the USA. The gross credit volume, including financing for open-ended real estate funds and local construction projects, amounted to around 9.8 billion euros at the end of the year under review (previous year: 8.6 billion). Economic efficiency and environmental and social compatibility are the mandatory selection criteria for the real estate credit transaction. These are explicitly analysed for each new transaction and brought into the due diligence process. Possible sustainability certificates are also taken into account as a positive element. Alongside energy efficient operation, sustainable real estate generally has better rentability and higher value stability. This is reflected in the safety position of the lender.

3.2.3 Special financings

The gross credit volume in the area of special financing of DekaBank was 8.88 billion euros on the reporting date (previous year: 7.16 billion euros). With a volume of approximately 4.67 billion euros, 53 percent of this fell to transport finance, while around 4.21 billion euros or 47 percent fell to infrastructure financing.

Transport financing

The transport credit portfolio of DekaBank primarily comprises loans mortgage-secured by aircraft and ships. The volume in aircraft financing amounted to approximately

3.56 billion euros on the reporting date (previous year: 2.94 billion euros), while that in ship financing was around 1.11 billion euros (previous year: 1.16 billion euros).

DekaBank exclusively finances means of transport that correspond to the current technical requirements in terms of fuel consumption and environmental protection standards and are, at the end of the term of loan, not older than 15 years. Compliance with environmental and safety regulations as well as any necessary upgrades are ensured, e.g. through saving mechanisms.

Financed ships must also bear a flag, which is listed by the Paris Memorandum of Understanding on Port State Control. This ensures a uniform check of ships at the ports, mainly with regard to the compliance with safety standards.

Infrastructure financing

In the infrastructure credit portfolio of DekaBank, around 0.8 billion euros (previous year: 0.58 billion euros) fell to the financing of renewable energy production as well as its infrastructure, including mainly wind farms and hydroelectric power plants. In 2018, DekaBank has, as sole lender, structured the financing for the construction and operation of an onshore wind farm in Norway, which shall produce power for approximately 44,500 households after completion. Furthermore, 1.11 billion euros (previous year: 0.56 billion euros) were provided for funding social infrastructure, e.g. research centres, hospitals and roads. The remaining 2.3 billion euros are attributable to project financing in the infrastructure sector.

IN FOCUS

Transparency of company-specific greenhouse gas emission data

In its business strategy, the Deka Group has formulated the objective of evaluating the CO₂ emissions along the value chain that are associated with its entire business activity. In 2017, the Deka Group has started recording and evaluating the CO₂ evidence in cooperation with the University of Hamburg. Prof. Dr. Timo Busch from the University of Hamburg drew the following interim conclusion in his project report:

“Overall, it has been seen that the topic of data availability is of central relevance. (...) Based on the current data basis, the CO₂ evidence cannot be created for the overall operation of the Deka Group. The main reason for this is the lack of data availability and quality.”

The reason for this is again that companies, with which the Deka Group collaborates, for example within the scope of financing, or whose securities it holds, so far generally report on their emissions voluntarily and the information is often incomplete and inconsistent.

In the year under review, the experts at the University of Hamburg as well as WWF Germany have now analysed within the framework of a study supported by the Deka Group as to how professional data providers, mainly sustainability rating agencies, deal with this challenge and how resilient and consistent the estimation methods applied by them are. A total of over 15,000 data records of companies were included in the analysis. Conclusion of the study: There still are shortcomings in the comparability of company-specific CO₂ emissions. The data consistency however increases, the more data the companies publish by themselves by using a standardised method.

To improve the data situation, the authors of the “Consistency of company-specific greenhouse gas emission data” study formulate three recommendations:

1. Further standardisation and development of a globally accepted approach to the CO₂e accounting and reporting, for example, on the basis of the already commonly used Greenhouse Gas Protocol.
2. Increase in the transparency about the estimation methods used by the data providers, so that investors can decide in a better manner as to with which data they want to work, as well as systematic expansion of the data offering to other investment classes.
3. Provision of further information about individual assets, such as their specific CO₂e dependencies and risks, as well as corresponding decarbonisation options.

The authors of the study also point out that not only the scope of the reported emission data, but also its quality is important. This largely depends on whether the collected and reported data is relevant for the respective business model of the compa-

nies and whether historical data sets with data on the emission development in recent years are supplemented with forward-looking scenarios.

To make an active contribution to improving the data situation, Deka Investment GmbH supports the Task Force on Climate-related Financial Disclosures (TCFD) as an official “supporter” since the end of the year under review. This initiative, borne by private enterprises, was launched by the Financial Stability Board of the G20 countries. The main task of the TCFD consists in the development of uniform standards for the disclosure of climate-related financial risks of companies. In June 2017, the TCFD published recommendations for voluntary, uniform information on climate-related financial risks, which can be used by companies to inform investors and other interested groups.

RECOMMENDATIONS OF THE TCFD FOR INFORMATION ON CLIMATE-RELATED FINANCIAL RISKS BY COMPANIES (FIGURE 7)

Governance

Information for covering climate-related risks and opportunities in corporate governance

Strategy

Information of the actual and possible effects of climate-related risks and opportunities on the business activity, strategy and financial planning of the company

Risk management

Information as to how the company identifies, assesses and controls climate-related risks

Measured values and objectives

Information about the objectives and measured values, which must be performed or imposed to assess and control climate-related risks and opportunities

Quelle:
FSB Task Force on Climate-related Financial Disclosures (TCFD)

This data is relevant for Deka Investment GmbH, for example, for the execution of commitment discussions with boards of management and supervisory boards within the framework of its around 1,500 company contacts every year.

COMPARE CHAPTER 3.1.2.1.2.

4. Sustainable HR management

Digitisation plays an increasingly important role not only within the banks, but also among their customers. We thus find that today, many customers are significantly better informed than in the past through the use of the comprehensive information offer on the Internet. We handle the demands on the personal, technical and sales expertise of our employees, which are increasing as a result of digitalisation, with comprehensive further education opportunities and the creation of a work environment that offers good framework conditions for further professional and personal development of all employees. At the same time, we want to be an attractive employer against the background of the progressive digitalisation, especially for the digital natives of generations Y and Z, who have grown up in a digital world.

4.1

HR strategy

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

The responsibility for the formulation, further development and implementation of the personnel strategy lies with the HR division of DekaBank for the Deka Group. HR management is divided into different areas of activity. The most important of these are the management of human resources, training and further professional development, the promotion of gender equality and the reconciliation of work and family or work and care, workplace safety and health management as well as the structure of remuneration.

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

At the end of 2017, the HR division launched an internal initiative on the topics of digitalisation, agility and Work 4.0. The objective is to actively support the digital transformation in various specialist areas. The division simultaneously works on the further development of a strategic partner for the digital transformation. In 2018, employees and executives were offered targeted formats for competence and knowledge building "new world of work".

Open dialogue with employee representatives

The employees are represented by staff and works councils (in Germany) and the Comité Mixte (in Luxembourg). They

are informed of pending changes in advance in an ongoing dialogue and brought into the design of the actual process. The HR division of the Deka Group maintains an open dialogue with staff representatives, which is characterised by respect. The disabled persons' representative and the Equal Opportunities Officer are also available as internal contact partners for problems at work.

In the year under review, the structure of the employee representation within the Deka Group in Frankfurt was realigned. The Leipzig location (DekaBank) as well as the locations of Berlin, Hamburg and Munich (Deka Immobilien GmbH) were also included. TABLE 2 gives an overview of the current structure and bodies.

4.2

HR management

Number of employees and structure

As of 31.12.2018, a total of 4,564 employees were employed at the Deka Group. Since personnel integration has still not been performed completely, the information for S Broker shall be shown separately. The moderate staff expansion of 1.6 percent (2017: 2.0 percent) results mainly from the expansion of the central functions of compliance and information safety, risk management of investment funds as well as deposit service & special topics.

COMPARE TABLE 3+4

Age structure

The average age of all domestically active employees of the Deka Group at the end of the year 2018 was 44.2 years (2017: 43.8 years). The most heavily-represented group was the age group between 50 and 54 years. The increase in the average age of about two years since the year 2013 reflects the demographic development in Germany.

COMPARE TABLE 5

BODIES OF HR REPRESENTATION (TABLE 2)

Company	Location(s)	Employee Representation	Members	Exemptions	Comments
DekaBank	Frankfurt/Leipzig	Staff Council	15	4	
Deka Immo/Deka Immo Inv. (joint operation)	Frankfurt and regional offices	Joint Works Council	11	1	
Deka Investment	Frankfurt/Leipzig	Works Council	11	1	
Deka Vermögensmanagement	Frankfurt	Works Council	5	0	election scheduled for 31.01.2019
Deka Vermögensmanagement	Berlin	Works Council	7	0	
Deka Immo/Deka Immo Inv./ WestInvest (joint operation)	Düsseldorf	Joint Works Council	5	0	
Deka Immobilien GmbH		General Works Council	4	0	elected in Dec 2018
Deka Immobilien Investment GmbH		General Works Council	4	0	elected in Dec 2018

NUMBER OF EMPLOYEES (TABLE 3)

Total employees (headcount)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	female	male
Domestic companies	3,743	3,858	3,993	4,094	4,160	1,636	2,524
Foreign companies	440	419	413	398	404	184	220
Deka Group	4,183	4,277	4,406	4,492	4,564	1,820	2,744
S Broker AG & Co.KG/Management AG	–	–	150	157	152	55	97

NUMBER OF WOMEN AND MEN (TABLE 4)

Deka Group in Germany (headcount)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018
Women	1,466	1,524	1,560	1,603	1,636
Men	2,277	2,334	2,433	2,491	2,524
Total* employees	3,743	3,858	3,993	4,094	4,160
Total* share of female employees (in %)	39.2	39.5	39.1	39.2	39.3
S Broker AG & Co.KG/Management AG	–	–	150	157	152
Total* share of female employees (in %)	–	–	36.0	40.8	36.2

* Active employees + apprentices + dormant employees + trainees.

Deka Group in Germany (headcount)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018
Women	1,325	1,359	1,389	1,435	1,491
Men	2,165	2,212	2,312	2,370	2,427
Active** Employees	3,490	3,571	3,701	3,805	3,918
Total share of active** female employees (in %)	38.0	38.1	37.5	37.7	38.1

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

AGE STRUCTURE ACTIVE EMPLOYEES (TABLE 5)

Deka Group in Germany	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	female	male
% of under 20 year-olds	0.0	0.1	0.1	0.0	0.1	0.1	0.1
% of 20–24 year-olds	1.2	1.5	1.3	1.2	1.4	1.5	1.3
% of 25–29 year-olds	5.5	5.3	5.0	4.9	4.9	5.8	4.3
% of 30–34 year-olds	11.8	11.8	10.9	10.6	10.4	11.5	9.6
% of 35–39 year-olds	18.7	18.1	17.0	15.7	14.2	15.6	13.4
% of 40–44 year-olds	20.3	18.7	18.2	17.6	17.6	16.5	18.3
% of 45–49 year-olds	22.2	21.4	21.8	20.6	19.4	18.3	20.1
% of 50–54 year-olds	12.6	15.3	16.8	19.0	19.9	18.5	20.7
% of 55–59 year-olds	6.3	5.9	6.5	7.4	8.9	8.5	9.1
% share of 60-year-olds and older	1.3	2.0	2.5	2.9	3.3	3.7	3.0
Average age in years	42.4	42.7	43.3	43.8	44.2	43.7	44.5
Active employees (headcount)	3,490	3,571	3,701	3,805	3,918	1,491	2,427
S Broker AG & Co.KG/Management AG (in yrs)	–	–	41.3	42.0	43.2	–	–

Resource management and maintenance of the employer brand

Around 30 percent of today's active employees in the Deka Group shall retire in the coming 10-15 years. In view of the increasing staff and skills shortage as well as the intensifying competition for talents between the banks, development and maintenance of the employer brand serve for positioning ourselves as an Employer of Choice vis-à-vis employees as well as possible applicants against this background. In 2018, the Board of Management instructed the HR division to develop an "Employer Branding" approach.

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 our HR strategy – having "the right employee at the right place". Within the framework of the Personnel 2.0 project and the related new recruitment software, it should become even easier to apply internally. With a stored CV it should thus be possible for the employees to start an internal application within 90 seconds. All employees also have the opportunity to set up a job newsletter tailored to their personal profiles; this newsletter informs them about matching job offers. For specific target groups, such as trainees or young professionals, special matching processes were implemented. The job change rate within the Deka Group in Germany in the year under review was 51.5 percent (previous year: 50.0 percent).

Vacant management positions have been occupied within the framework of the "Deka Management Forum" since 2014. Here, all applicants have a standardised interview, which is conducted by managers of the specialist area and interface areas and moderated by the HR division.

The internal tendering and appointment process is coordinated in the context of the service/operating agreement with the employees' representatives. Members of the employee representatives and the Equal Opportunities Officer participate in specific selection procedures. The employee representatives also have a say in the selection of external candidates for the occupation of vacant positions.

Turnover

An important quantitative indicator for the success of resource management and the maintenance of the employer brand is the turnover rate. It was 4.2 percent in the year 2018 and thus, around one percent higher than that in the previous year (2017: 3.1 percent). After an average tenure of over ten years could be achieved for the first time in 2015, this was at a new high at the end of 2018 with 11.0 years (2017: 10.7). In comparison with other companies in the industry, this is an above-average value and speaks for the attractiveness of the Deka Group as an employer. COMPARE TABLE 6

4.3 Training and further professional development

Training

As of 31.12.2018, a total of 52 apprentices and trainees, including funded students, were employed in Germany by the Deka Group. In order to be able to make an offer of further employment to as many apprentices and trainees as possible after successful completion of training, the number of apprentices and trainees is determined by requirements. COMPARE TABLE 7

As in previous years, all apprentices and trainees were taken on as employees in the year under review as well. Moreover, the Deka Group has pronounced a performance-related employment guarantee for the apprentices of the years 2016 to 2021 as well as for all trainees with a programme start from 01.07.2017 or a programme end up to 30.06.2020.

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

Further training

At least once a year, employees and management determine individual development paths on the basis of the identified development requirements. There is a wide spectrum of potential measures available, which is continually developed on the basis of the Bank's strategy and requirements. It includes options to develop personal, methodical, social and technical skills. DekaBank supports its employees in internal or external further training measures, both financially and in terms of time.

The agreed training courses take place either within the framework of the professional activity, for example through the assumption of project tasks, or through "off-the-job" measures, such as seminars or longer-term further training, completed with a certificate. Within the framework of the training offer, DekaBank increasingly relies on short formats in order to allow good integration and application in the day-to-day work. Examples for this include webinars, e-learning or micro-trainings. For executives, the new app-based DekaCoach offers the possibility to work on topics around leadership individually and in a demand-based manner.

In the year under review, the DekaLearning learning system was introduced, which replaces the previously used Deka-Colleg. In addition to the appraisal interview and the remuneration notification, the system constitutes the third success factor module. It provides a comprehensive overview

of the further training opportunities to the employees and allows them to put together personal learning plans. From 2019 onwards, the users shall also get an overview of their completed further training measures.

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

Further training costs

The financial costs of further training measures in Germany during the year under review amounted to an average of 949 euros per active employee (2017: 900 euros). The increase in the average investment in further training per employee is mainly attributable to the discussed expansion of further training opportunities with shorter formats. This figure does not include the cost of further training that took place as part of projects, e.g. for the implementation of the Markets in Financial Instruments Directive II guideline (MIFID II) and the General Data Protection Regulation (GDPR), on-the-job measures and the use of educational leave.

In total, 25,835 seminar hours were completed in the year under review within the scope of the DekaColleg offers; every active employee thus invested an average of 7.1 hours in his/her further professional and personal training. COMPARE 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. The participants are asked for their first impressions shortly after the training. Four months after participating, they are asked about the event again, with the focus on aspects of practical use and benefit.

The respective managers are actively involved in the evaluation. This approach helps to ensure that managers and employees discuss learning objectives and transfer measures more intensively and thus also contribute to the continuous improvement of the management culture. In the year under review, the participants have confirmed the consistently high level of quality of the professional devel-

opment on offer. Satisfaction in terms of practical relevance and applicability of the contents was particularly high.

4.4 Equality

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

Equal opportunities for women and men Gender Equality Plan

To continue to improve the equal opportunities for women and men, the Equal Opportunities Officers agreed upon the fourth Gender Equality Plan together with the Board of Management, which came into force on 01.01.2017. The Gender Equality Plan focuses on determining three gender equality objectives, whose implementation is regularly monitored.

The first objective is to increase the proportion of women in management positions and to encourage the professional advancement of women. The Deka Group has set concrete targets for this purpose, which must be achieved by the end of 2020. COMPARE TABLE 9+10

WOMEN IN MANAGEMENT POSITIONS (TABLE 9)

	31 Dec 2018	TARGET 31 Dec 2020
Division Head	8.6%	12.0%
Head of Department	16.2%	18.0%
Group Management	24.5%	25.0%
Field Head	22.0%	26.0%

In order to achieve these objectives, the Deka Group implements numerous measures. This includes, for example, the Women’s Mentoring Programme, which was introduced in 2013. Every year, eight female prospects on the employee level, who are supported by a department head for 24 months, start the programme. A framework programme provides a network between the year groups and offers a wide range of impulses for individual further development.

The participation in the women’s career index (FKi), a management instrument for encouraging women in business, enables location determination and, at the same time, opens up the possibility to check examples of concrete measures from other companies in the financial sector for their applicability in the Deka Group.

TURNOVER RATE* (TABLE 6)

Deka Group in Germany (%)	2014	2015	2016	2017	2018	Turnover rate**
Women	3.8	3.7	3.4	3.2	4.1	33,1
Age range 20–29	6.3	3.9	9.2	8.5	11.5	13,3
30–39	4.5	4.9	2.4	3.2	4.5	34,4
40–49	3.8	3.1	2.7	2.4	3.2	37,9
50–59	1.4	1.0	0.9	0.8	1.5	57,9
> = 60	5.7	12.1	18.5	15.6	10.0	0,0
Men	4.3	4.1	3.0	3.0	4.3	27,4
Age range 20–29	5.0	4.7	2.9	9.7	6.3	19,5
30–39	5.5	4.9	3.6	3.5	9.1	21,7
40–49	3.6	4.2	2.1	2.5	2.6	29,2
50–59	2.7	1.6	2.3	1.8	1.2	62,5
> = 60	14.0	13.1	13.0	5.2	11.5	100,0
Total turnover rate	4.2	3.9	3.1	3.1	4.2	51,5

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

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

JUNIOR STAFF (TABLE 7)

Deka Group in Germany (headcount)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	female	male
Trainees	14	36	47	53	33	12	21
Funded Students (HfB, HdS)	8	9	9	8	4	2	2
Apprentices	39	30	22	16	15	12	3
Junior staff	61	75	78	77	52	26	26

COSTS AND SCOPE OF FURTHER TRAINING MEASURES (TABLE 8)

Costs for further training measures

Deka Group in Germany	2014	2015	2016	2017	2018
Further training costs (€m)	3.8	3.4	3.4	3.2	3.5
Average per active employee (€)	1,169	1,001	973	900	949

Seminar hours

Deka Group in Germany	2016	2017	2018	female	male
Seminar hours in total spend in DekaColleg offers (h)	27,062.5	25,496.1	25,835.0	9,670.9	16,164.1
Average per active employee (€)	7.3	7.2	7.1	–	–

PROPORTION OF WOMEN IN MANAGEMENT LEVELS (TABLE 10)

Deka Group in Germany	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	female	male
Board of Management	–	20.0 %	20.0 %	20.0 %	20.0 %	1	4
1. Management level (Head of Division)	9.1 %	8.8 %	7.9 %	5.7 %	8.6 %	3	32
2. Management level (Head of Department management)	14.2 %	15.9 %	15.7 %	15.7 %	16.2 %	19	98
3. Management level (Group manager)	18.9 %	19.9 %	22.0 %	23.7 %	24.5 %	63	194
Management levels (including Board of Management)	16.5 %	17.8 %	18.8 %	19.7 %	20.8 %	86	328

The second objective of the Gender Equality Plan is the lasting guarantee of good framework conditions for the reconciliation of work 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, i.e. change in the framework conditions for the reconciliation of work and family life or the opportunities for professional development. If necessary, alternative solutions are considered.

Information and networking

Since 2003, the Equal Opportunities Officers of the Deka Group have held regular events to inform employees on current objectives, actions and developments in the promotion of equal opportunities for women and men. In addition, the Equal Opportunities Officers organise events that are exclusively aimed at women. These include the Annual Women's General Meeting, as stipulated by the Federal Gender Equality Law, in which a member of the Board of Management of the Deka Group also takes part.

The internal information and networking offer also includes the series of events DekaFrauenFokus [Deka women focus], in which topics like "how to negotiate successfully", "women and digitalisation" or "women support women" are handled.

The carrier network FondsFrauen [fund women] has set itself the task of networking of women and their support in the German-speaking investment fund industry; Deka-Bank joined this network in the year under review. The cooperation enables women to network beyond hierarchy levels to allow a regular exchange and to support them in the implementation of their personal and professional goals. Within the scope of the cooperation, Deka-Bank also has an exclusive access to various events and can place job advertisements specifically for the relevant target group.

Reconciliation of work and family

With the help of life-cycle-oriented personnel 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 con-

sulting and mediation offer on the subject areas 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" (work and family audit), in which the Deka Group has regularly participated since 2005. Part of the audit is the definition of strategic objectives and, building on this, the development of concrete objectives and measures as well as a binding determination of the results in a target agreement. In the year under review, the Deka Group was distinguished for the fifth time for its family-conscious HR policy. It is thus one of the only 31 employers that have received the certificate for the fifth time. The Deka Group supports, as a host, network meetings of the audited companies, where best practice examples for the reconciliation of work and family life are presented and discussed among other things.

A focus of the measures for further improvement of the reconciliation of work and family life in the year under review was on the support of executives. The aim was to help executives find individual solutions for employees, which simultaneously take into account the requirements of the respective colleagues. The workshops by the Equal Opportunities Officers were held under the motto "Tri-ologue – accompanying negotiation processes in teams".

In the third quarter of 2018, the Equal Opportunities Officers initiated a survey on the reconciliation of work and family life for the second time after 2016. A focus was thereby on the third objective of the Gender Equality Plan, the support of men with family responsibilities. The result of the survey is predominantly positive and has improved slightly in comparison with 2016. The improvements in case of mobile working were particularly evident. Based on the results, all divisions of the Deka Group should draft concrete measures for achieving the objective for the next two years.

Working time models

Flexible working hours are an important building block for the reconciliation of work and family or care. Employees currently have 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 2018 was 18.5 percent, i.e. above the previous year's figure (17.5 percent). COMPARE TABLE 11.A+11.B

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

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

The proportion of employees of the Deka Group in Germany, who do not participate in time recording – usually non-tariff employees – was 64.7 percent in 2018 (previous year: 64.5 percent). The proportion of employees, who are not assigned to any working time model due to a temporary job or for other reasons, was 1.3 percent (previous year: 1.4 percent). The number of temporary staff and student employees amounted on average over the year to 57 (previous year: 49).

Support of employees with children

Employees with small children can take advantage of the support of DekaBank in child care. The offer includes 35 crèches and 16 kindergarten places provided in Frankfurt. Since 2018, it is also possible for employees, who are working outside the locations in Frankfurt, to apply for a nursery place at another location of the cooperation partner of the Deka Group all over Germany depending on the availability. Generous care times of up to twelve hours daily and the renunciation of closing times in the holidays provide a comprehensive relief for parents.

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

On an average, over the last five years, Deka Group employees returned to work 12.8 months (2017: 12.8 months) after the birth of a child. Employees are increasingly taking advantage of parental leave. In the course of the year 2018, 126 DekaBank male employees claimed parental leave (2017: 119). Thus, their number was higher than that of women (82) (2017: 72). COMPARE TABLE 12

The HR division and the Equal Opportunities Officers provide the employees with comprehensive consultancy and mediation services in the organisation of child care and on the topics of mother protection and parental leave. In 2018, the Equal Opportunities Officers also organised information events on topics such as "Children have rights" as well as around the topic of care. In addition, a first meeting on the topic of "Negotiation processes in families – sharing of family tasks" took place; more are planned.

Since 2015, the Deka Group cooperates with the VIVA family service, which offers consultancy and mediation

around the topics of childcare and medical care. In the year under review, 76 cases were attended to in the category of profession & children and 71 cases in the category of care. Since employees can place their concerns by phone or by e-mail, the offer is available all over Germany across multiple locations. Employees in Luxembourg can also participate if their question relates to Germany.

Support for employees with relatives, who need nursing care

In cooperation with professional partners, employees get support who look after relatives, who need nursing care. The so-called elder care advice and mediation relieves employees in the organisation, financing and implementation of care tasks. The consultancy service is available daily and the Deka Group assumes the cost.

Deka Group employees can also make use of a wide range of information and networking events on the subject of compatibility of work and care. In the year 2018, for example, the Equal Opportunities Officers held a special lecture on the topic "When parent suddenly become old".

Diversity

Varied cultural origin, life experience and talents of the employees enrich collaboration and help to recognise the needs of the customers and serve them in the best way possible. The Deka Group has the objective of providing framework conditions, which prevent any sexual harassment or bullying from occurring at all. Violations of the code of conduct or other forms of discriminatory treatment in the sense of legal regulations as well as threatening, hostile or abusive behaviour are immediately punished. There were no instances of discrimination in the year under review.

At the end of the year 2018, 268 employees (138 women and 130 men) had a non-German nationality. Their share has thus slightly increased to 6.8 percent in the year under review (2017: 6.5 percent). In total, employees from 54 countries are employed at the Deka Group; the most strongly-represented countries are Italy, France, Austria, Greece, Poland, Croatia and Russia.

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.

63.1 percent of the mandatory positions for disabled persons were filled at the year-end of 2018 (previous year: 56.7 percent). The interests of disabled employees are represented by the Disabled Employee Representative.

4.5

Workplace safety and health management

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

Sickness rate

The sickness rate was 4.1 percent in 2018 and thus, slightly above the level of the previous year (2017: 4.0 percent).

The monthly development indicates that higher sickness

rates were attained mainly in the first quarter of 2018 and are particularly related to the widespread flu wave in the months of February and March. There were no deaths at work in the Deka Group in 2018, just like the previous years. COMPARE TABLE 13+14

Exercise, sports and nutrition

In order to enable employees to integrate regular exercise into their everyday life, the Deka Group runs its own Health Centre at its Frankfurt location, which is used by around 210 employees on average. For employees outside of Frankfurt, there are co-operations with different fitness studio chains as well as physiotherapists and massage practices.

PART-TIME RATIO ACTIVE EMPLOYEES (TABLE 11.A)

Deka Group in Germany	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	Full-time	Part-time
Women	34.6%	35.6%	36.1%	37.4%	38.6%	915	576
Men	4.6%	5.2%	5.1%	5.5%	6.1%	2.280	147
Part-time ratio total	16.0%	16.7%	16.8%	17.5%	18.5%	3,195	723
Women	–	–	31.6%	34.4%	34.5%	36	19
Men	–	–	8.6%	11.8%	14.4%	83	14
S Broker AG & Co.KG/Management AG	–	–	17.3%	21.0%	21.7%	119	33

PART-TIME RATIO MANAGEMENT (TABLE 11.B)

Deka Group in Germany	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	Full-time	Part-time
Women	18.5%	15.9%	17.3%	21.3%	18.6%	70	16
Men	1.8%	0.9%	1.2%	2.5%	2.4%	320	8
Part-time ratio total	4.6%	3.6%	4.3%	6.2%	5.8%	390	24

EMPLOYEES ON PARENTAL LEAVE* (TABLE 12)

Parental leave – as per reporting date (headcount)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018
Women	70	72	79	76	67
Men	7	11	9	9	7
Total	77	83	88	85	74

Parental leave – during the year (headcount)	2014	2015	2016	2017	2018
Women	58	61	58	72	82
Men	79	97	122	119	126
Total	137	158	180	191	208

Average duration of parental leave (months)	2014	2015	2016	2017	2018
Women	11.7	12.4	13.1	14.3	13.0
Men	1.3	1.4	1.5	1.7	1.2

* Excluding maternity leave and secondary employment during parental leave.

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

To promote team spirit and shared experiences through exercise, DekaBank supports the participation of employees in running events. One highlight is the annual J.P. Morgan Corporate Challenge run through the inner city of Frankfurt, in which more than 300 Deka runners participated even in 2018.

A balanced diet is an important part of health care. Therefore, DekaBank attaches great importance to varied and healthy food from the region in the canteen. Every day, at least two vegetarian and, more frequently, even vegan dishes are available in the canteens. Information around the topic of nutrition is provided during a nutrition consultation hour offered at the Frankfurt locations when necessary. A brain food stand was organised for the first time in the year 2018. At this information stand, employees were informed about the positive impact of healthy snacks such as nuts and dried fruits. This action was accompanied by a nutritionist.

ILLNESS RATE ACTIVE EMPLOYEES (TABLE 13)

Deka Group in Germany (%)	2014	2015	2016	2017	2018
Women	5.6	5.6	5.3	5.9	5.7
Men	2.9	3.0	3.0	3.0	3.3
Total rate	3.8	3.9	3.8	4.0	4.1

REPORTED VIOLATIONS (TABLE 14)

Deka Group in Germany (count)		2015	2016	2017	2018
Commuting accidents		19	19	20	18
Principle causes are cycling accidents and injuries relating to black ice during the winter	Location Frankfurt	15	19	15	14
	Düsseldorf	2	–	–	–
	Berlin	–	–	2	–
	Sales force (east)	–	–	3	–
	Hamburg	–	–	–	1
	Leipzig	2	–	–	3
Work-related injury		12	6	6	7
Location Frankfurt	Location Frankfurt	12	6	3	6
	Hamburg	–	–	1	–
	Düsseldorf	–	–	1	–
	Munich	–	–	1	–
	Sales force (east)	–	–	–	1

SALARY STRUCTURE ACTIVE EMPLOYEES (TABLE 15)

Deka Group in Germany (%)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	female	male
Non-tariff (NT)	61.5	62.4	63.7	64.5	64.7	43.1	77.9
Tariff group (TG) total	38.5	37.6	36.3	35.5	35.3	56.9	22.1
TG 9	29.4	28.3	28.1	27.6	27.9	24.1	33.8
TG 8	22.2	20.3	21.6	22.4	22.5	21.1	24.6
TG 2–7	48.4	51.4	50.3	50.1	49.7	54.8	41.6

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. Workspaces are regularly scrutinised according to ergonomics aspects by the expert for work safety.

All employees can obtain medical care from the company doctor; here, the focus is on prevention and health promotion. The offer includes annual flu vaccinations and health campaigns, during which the employees can obtain information about health issues. The company doctor also conducts occupational health checks for all employees, e.g. ophthalmic examinations for subsidisation of workplace glasses. To further improve the care, the Deka Group has signed a cooperation agreement with a leading optician chain all over Germany in the year under review. All employees, for whom the company doctor determines the need for workplace glasses, can go to a branch of the cooperation partner and get suitable glasses. The Deka Group assumes the costs. Executives of the Deka Group have the option of having an extensive medical check-up every two years.

In the year under review, a skin screening as well as a test for the determination of the current stress levels were offered as special actions. A trained consultant then gave recommendations to reduce stress.

Mental health

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. The surveys will be continued in 2019.

DekaBank already offers seminars on dealing with stress for its employees and managerial staff as part of its further training programme. These seminars allow participants to analyse the pressures and stresses they face, as well as their own personal resources. During the seminars, they are shown how to handle these resources responsibly, harness them and use them successfully.

In the year 2018, a new aspect in the seminar offering was the four-part lecture series "StressControl". Within the framework of the seminar, the participants were informed as to how they can regulate stress feelings independently at a healthy level and thus become their own coach. The "Lifebalance" seminar, in which executives are informed about the relationship between life balance, health and performance, was also added to the further training programme. A focal point is thereby the topic of resilience, i.e. the ability to cope with crises mentally, and to use these as an opportunity for developments.

Employees, who are in a crisis situation personally or professionally, get concrete support from external experts of a

professional advisory service. Within the scope of the Employee Assistance Program (EAP), the employees can obtain confidential or, if desired, even anonymous counselling. The EAP also offers expert advice to managerial staff, management consultants and members of the staff committee and works council. 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. It is also possible to obtain appointments with specialists without long waiting times.

Even in 2018, the experts from the EAP held numerous counselling sessions with employees. The usage rate increased from 4.4 percent in 2017 to 7.1 percent. The increase in the usage rate can be particularly attributed to intensive marketing measures; among other things, the above-mentioned event series "StressControl" as well as on-site consultations. The EAP is accompanied by information events for all employees and special workshops for executives. In the year under review, several consulting events were also organised in the buildings of the Deka Group to further simplify the contact of the employees with the EAP service.

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

4.6 Remuneration

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

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

The remuneration of permanent employees is based on the corresponding 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 the 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 11 years of professional experience converted into 12 monthly salaries. The proportion of employees, who get non-tariff remuneration, has slightly increased in 2018 to 64.7 percent (previous year: 64.5 percent). COMPARE TABLE 15

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

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

In line with regulatory requirements for institutes, the variable remuneration may not exceed 100 percent of the fixed remuneration. This upper limit of the variable remuneration, in accordance with §25a para. 5 of the German Banking Act (Kreditwesengesetz – KWG), can 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 its Board of Management and all other employees of the institute in the year under review.

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

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

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

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

5. Sustainable banking

Less is more – this is particularly applicable where it comes to the relief of the climate and the environment. Even seemingly small changes can thereby have considerable effects. This is impressively shown by the decision to switch from disposable to reusable cups in the canteens of the Deka Group at its Frankfurt location. The cups thus saved would reach a height of over 40 kilometres when stacked on top of each other – more than 200 times as high as our headquarters Trianon. Elsewhere, we are also working to reduce our ecological footprint – e.g. in case of an increased use of electric and hybrid vehicles or through the introduction of a leasing model for bicycles.

5.1 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 environmental management standard was revised in 2015. The new rules have been implemented by 2018. The innovations include, among other things, a more risk-oriented approach and a clearer focus on the consideration of the entire value chain including the environmental impact of products and services. DekaBank has comprehensively fulfilled the new requirements on the basis of an implementation plan until the re-certification of the environmental management system in the year under review.

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

5.2 Procurement

The strategic purchasing department of DekaBank procured goods and services in the value of a total of approx. 269 million euros gross in the reporting period.⁵ About 85 percent of the strategic purchasing order volume was placed in Germany, the rest to European suppliers. We currently do not use any overseas service providers.

For the selection of the 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 suppliers must sign prior to the start of the business relationship. It obliges the supplier, among other things, to comply with core labour standards of the International Labour Organisation (ILO). By the end of 2018, 280 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.⁶

Sustainability criteria are taken into account even in the selection of products and services. For example, in 2019, all of the Deka Group's computers will be replaced by new energy-saving devices. The total of more than 6,000 desktop PCs and notebooks shall meet the requirements of the eco-label "Energy Star" in the current version 7.0.

All new suppliers are obliged to provide information on their standards and services in the area of environmental management in the DekaBank purchasing portal. This gives the employees in procurement the opportunity to consider relevant aspects in the negotiations with suppliers. In the year 2018, a total of 26 new suppliers from the fields of consultation, personnel, and IT were examined on the basis of environmental criteria.

If DekaBank identifies violations of the specified requirements of the sustainability declaration within the framework of the regular supplier audits or learns of this by other ways, the supplier has the opportunity to correct the identified deficiencies. If this is not done, or is not done sufficiently from the point of view of DekaBank, a multi-stage process is set in motion, which may result in the termination of the contractual relationship. In the year under review, there were no terminations of supplier relationships due to violations of the sustainability commitment. Sustainability management bears the responsibility for this process.

5.3

Climate protection

Energy consumption

The reduction of energy consumption at the locations of the Deka Group contributes directly to the reduction of greenhouse gas, particularly CO₂, emissions. On the basis of the results of the energy audit carried out in 2015 according to DIN 16247, the real estate management of the Deka Group was able to carry out numerous measures for the reduction of energy consumption. As a result, the energy consumption in the relevant properties used by the Deka Group has reduced by around 3.5 percent to nearly 18.1 million kilowatt hours (kWh) in the year under review.

Traffic

Business travel, in addition to the energy consumption, represents the most important direct environmental impact of non-producing companies. After an increase in the total transport performance in the previous two reporting years, a slight reduction by around 1.7 percent could be achieved in 2018. The number of kilometres covered by car (-3.9 percent) as well as by flight (-1.5 percent) dropped. However, there was an increase in the comparatively environmentally-friendly rail transport (+4.0 percent). In total, Deka Group employees covered around 23.1 million kilometres on business trips in the year 2018, nearly 400,000 kilometres less than in the previous year.

The implementation of the new company car regulation has demonstrably had a positive effect. The reduction of the vehicle classes anchored therein has already resulted in a reduction of the average CO₂ emission of the entire fleet from 127 g/km to 122 g/km. As not all leasing contracts have yet expired since the introduction of the new regulation and follow-up contracts about lower-consumption and lower-emission vehicles could be made, the average emission will probably reduce further in the coming years.

From 2019 onwards, electric and hybrid vehicles shall be given an advantage in the company car taxation. In the year under review, the Deka Group has already held discussions with the leasing provider in order to check the inclusion of other appropriate models. In this context, the charging stations at its Frankfurt location should also be expanded. For the regional offices of Deka Immobilien GmbH, electric vehicles were procured, which can be used for business trips. 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.

The use of bicycles should also be supported through various measures. At the end of the year under review, the Board of Management has decided to introduce a bicycle leasing model in the first quarter of 2019. Within the scope of this model, employees of the Deka Group shall

have the option to lease a bike within the framework of a deferred compensation, similar to company car leasing.

Greenhouse gas emissions

The objective of reducing greenhouse gas emissions by five percent each year was not achieved in 2018. The absolute emissions increased from 10,588 tonnes CO₂e⁷ in 2017 to approximately 10,769 tonnes CO₂e in 2018 and thus by 1.71 percent. A decisive reason for this was the shifting of the location in Luxembourg into a new office building, which is currently supplied with conventional power. Conclusion of a contract about the purchase of green power is planned for 2019.

5.4

Consumption of resources and waste

The amount of waste generated in the year under review was reduced at all three locations in Frankfurt; with a total of 235.1 tonnes, it was approx. 2.2 percent lower than the previous year. In the year under review, several measures were decided on or have already been initiated, through which waste should be reduced further. The decided switch from disposable to reusable cups in the canteens at the locations of Prisma and Trianon saves around 450,000 disposable cups per year. The replacement of plastic cups by glass cups for yoghurt leads to annual savings of around 20,000 plastic cups.

All companies assigned with the disposal of waste have a specialist waste disposal certificate in accordance with the Closed Substance Cycle Waste Management Act. Deka-Bank performs regular audits at the companies to ensure the safe and environmentally-friendly disposal of waste.

In the year under review, the paper consumption for Germany was 753.5 tonnes, i.e. a decrease of 4.4 percent as compared to the previous year. In the event area, the paper consumption could be reduced through the introduction of the "Deka Event App". With this app, registration and dispatch of documents to event participants take place exclusively in electronic form.

⁵ Strategic purchase includes the product groups consultation, office/business equipment, business/IT infrastructure, services as well as personnel.

⁶ In 2018, DekaBank ordered products and services from approximately 1,800 suppliers. These included many small and single orders. The number of suppliers with significant sales (> 1 million euros) is approximately 75.

⁷ According to the GHG Protocol, five other climate-relevant gases are recorded besides CO₂: methane, nitrous oxide, sulphur hexafluoride and two groups of fluorocarbons (CO₂e)

ENVIRONMENTAL INDICATORS 2018* (TABLE 16)

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
2015	1,859,778	7,183,277	3,364,716	12,407,771
2016	1,815,069	5,016,864	3,361,295	10,193,228
2017	1,844,898	4,844,680	3,898,611	10,588,189
2018	1,770,629	5,357,316	3,641,129	10,769,074

ENERGY CONSUMPTION BY ENERGY SOURCE IN 2018

	Trianon ML16 in kWh	Prisma HS55 in kWh	Skyper TA 1 in kWh
Electricity	5,885,496	4,506,456	1,296,019
Diesel for emergency electricity	11,748	9,653	605
District heating	3,664,552	2,467,647	293,611
Total	9,561,796	6,983,756	1,590,236

DEVELOPMENT OF TOTAL ENERGY CONSUMPTION

	2015 in kWh	Tolerance to 2014	2016 in kWh	Tolerance to 2015	2017 in kWh	Tolerance to 2016	2018 in kWh	Tolerance to 2017
Trianon ML16	11,227,097	6.6%	11,520,019	2.6%	10,207,927	-11.4%	9,561,796	-6.3%
Prisma HS55	6,792,819	5.7%	7,027,406	3.5%	6,957,119	-1.0%	6,983,756	0.4%
Skyper TA 1	1,491,233	7.6%	1,509,469	1.2%	1,626,392	7.7%	1,590,236	-2.2%
Total	19,511,149	-4.1%	20,056,894	2.8%	18,791,438	-6.3%	18,135,788	-3.5%

DEVELOPMENT OF ABSOLUTE BUSINESS TRAVEL AS PER MODE OF TRANSPORT

	2015 in km	Tolerance to 2014	2016 in km	Tolerance to 2015	2017 in km	Tolerance to 2016	2018 in km	Tolerance to 2017
Rail transport	2,742,944	2.7%	3,133,884	14.3%	3,427,671	9.4%	3,566,719	4.1%
Road transport	10,105,359	7.2%	9,829,064	-2.7%	9,987,789	1.6%	9,589,777	-4.0%
Air transport	8,617,947	-11.3%	9,034,886	4.8%	10,106,491	11.9%	9,959,363	-1.5%
Total	21,466,250	-1.6%	21,997,834	2.5%	23,521,951	7.0%	23,115,859	-1.7%

DEVELOPMENT OF ABSOLUTE DRINKING WATER CONSUMPTION

	2015 in m ³	Tolerance to 2014	2016 in m ³	Tolerance to 2015	2017 in m ³	Tolerance to 2016	2018 in m ³	Tolerance to 2017
Trianon ML16	18,051	6.3%	18,691	3.5%	19,238	2.9%	24,712	28.5%
Prisma HS55	15,888	-16.5%	13,850	-12.8%	17,263	24.6%	20,742	20.2%
Skyper TA 1	2,391	12.5%	2,413	0.9%	2,627	8.8%	2,565	-2.35%
Total	36,330	-8.0%	34,954	-3.8%	39,128	11.9%	48,019	22.7%

DEVELOPMENT OF ABSOLUTE WASTE PRODUCTION

	2015 in t	Tolerance to 2014	2016 in t	Tolerance to 2015	2017 in t	Tolerance to 2016	2018 in t	Tolerance to 2017
Trianon ML16	172.8	10.0%	154.2	-10.7%	105.8	-31.4%	100.5	-5.0%
Prisma HS55	108.6	1.8%	104.1	-4.1%	93.6	-10.1%	92.3	-1.4%
Skyper TA 1	44.3	10.2%	43.6	-1.6%	41.0	-5.9%	42.2	3.0%
Total	325.6	-7.7%	301.9	-7.3%	240.5	-20.4%	235.1	-2.2%

* Data basis on energy/resource consumption and emissions:

- The information refers to the three buildings in Frankfurt am Main used by the Deka Group (Trianon, Prisma and Skyper) as well as the location of Luxembourg for emissions. All other locations are not yet included in the recording of consumption values for energy, water and waste.
- 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 Ger-

many. 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. In the calculation, this green electricity was not always estimated with zero CO₂ emission factors; but according to the origin, with the factor for hydropower in Frankfurt and with the factors for wind and hydropower (50 percent each) in Luxembourg. For power consumption, the emission factor was obtained from the provider. Due to a relocation in Luxembourg, no green power was purchased in 2018.

6. Corporate citizenship

The motto of our anniversary year “Economy. Human. Responsibility” is reflected in our corporate citizenship. The engagement extends from the help for children and young people through the promotion of science and education up to the support of architecture, art, music and sports. The Deka Group has taken the anniversary year as an opportunity to support selected partnerships through additional projects and to set new accents. For example, the Board of Management doubled the funding for the “Deka – Engagiert vor Ort” [Deka – making a local commitment] project and the MMK Museum for Modern Art in Frankfurt am Main received four major works from the DekaBank art collection as a gift. At the beginning of February 2018, the new cooperation of DekaBank with the Federal Youth Orchestra was presented to the public, through which the engagement is extended by the field of “Music”.

6.1

Social engagement

Support for the integration of refugees

For professional and social integration, DekaBank could offer an internship to a total of 34 refugees since 2016. Around 30 percent of the participants in this programme could then be employed further at DekaBank, while other 20 percent of the participants have found a job in other companies. The support programme shall end on 31.12.2018.

Christliches Kinder- und Jugendhilfswerk Arche e.V.

Since 2008, DekaBank supports Freundeskreis Arche Frankfurt e.V. with an annual donation. The current agreement stipulates to continue this cooperation up to 2019. The “Arche” cares for children and young people from all social backgrounds, including refugee children and their families. The cornerstones of the offers of Arche for children are a healthy breakfast and lunch, a consistent homework supervision as well as a variety of leisure activities. This offer is flanked by individual learning support, holiday workshops, excursions and many creative and sports activities.

Deutsche Krebshilfe e.V.

DekaBank has been a reliable partner in the annual national golf benefit tournaments in aid of Deutsche Krebshilfe e. V. (DKH, German Cancer Aid) since 2006. Around 7,500 golfers took part in the biggest benefit golf tournament in Europe in 2018 and combined sporting activity with help for people with cancer. As a general sponsor, DekaBank supports this event by providing winners’ prizes for the entire tournament series. In total, 300,000 euros were raised for this good cause in the year under review. In 2018, the contract for the cooperation was extended up to 2021.

6.2

Education and science

Goethe University Frankfurt am Main

Since 2016, DekaBank supports two endowed chairs at the House of Finance of Goethe University. The “House of Finance Professorship for Sustainable Asset Management” was occupied by Dr. Alexander Hillert in July 2016. In 2017, the executive committee of the Goethe University appointed Dr. Özlem Dursun-de Neef for the “House of Finance Professorship for Sustainable Banking”.

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

The Private Institute for Quantitative Capital Market Research (IQ-KAP), founded by DekaBank in 2013 is a science-based research institute. Its objective is 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. The scientific advisory board includes Professors Wolfgang Bessler, Frank Bulthaupt, Ulrich Klüh, Dirk Schiereck and Ulrich Schollwöck. Since a mandate in the advisory board is stipulated for the respective Professor, the endowed chair of DekaBank at the House of Finance (HoF) of Goethe University, Prof. Dr. Alexander Hillert strengthens the advisory board since 2017.

The research award of the IQ-KAP given for the second time went to Gergana Justova and Alexander Philipov of the Georg Washington University School of Business as well as Mark Grinblatt of the UCLA Anderson School of Management in the year under review. In their scientific work “Analyst Bias and Mispricing”, they deal with the influence of analysts’ estimates on return factors such as value and momentum. A total of 48 scientists from renowned universities in Germany and abroad had applied

for the research award. The lecture at the event moderated by Dr. Michael Stein – winner of the year 2016 – for the presentation of the research award, was delivered by Prof. Dr. Hans Peter Burghof of the University of Hohenheim.

Promotion of the securities culture

In order to promote the securities culture, DekaBank supports Planspiel Börse [business game of stock exchange] of the savings banks since 2014. The aim is to provide financial education in an exciting and practical manner, to strengthen the economic and social skills of the participating scholars, trainees and students and to thus support the financial literacy of young people. Planspiel Börse is an online competition, in which the participants are provided a virtual capital that they should multiply. Continuous trading takes place with the rates of real stock exchanges. The simulated securities trading deepens basic economic knowledge in a playful way and imparts stock exchange knowledge. Moreover, the eleven-week competition also promotes the view beyond the national horizon besides teamwork.

The thematic focus of “sustainability” of the game imparts basics of sustainable investment. The objective of this special rating is to promote future-oriented and responsible trading even among young people. For this purpose, shares of sustainably operating companies are marked with a special symbol in the list of securities, in which the participants can invest. There is prize money for teams, which generate the highest income in the competition, as well as for teams, which invest their funds in particularly sustainable stock corporations in the game period.

In 2018, over 100,000 scholars, students, trainees and teachers from 15 countries participated in the 36th Planspiel Börse of the savings banks. The award ceremony was held for all national participant categories together for the first time in 2018; for this purpose, DekaBank had invited them to Frankfurt.

6.3

Art and culture

DekaBank art collection

Even the DekaBank art collection celebrated its anniversary in the year under review – DekaBank has been building up its collection of 21st Century art for 15 years. The internationally oriented collection now includes over 1,400 works and reflects the diversity of artistic expression in the 21st Century. It focuses on works, which address relevant social issues and stimulate debate about the current definition of art. The structure of the collection gives particular weight to the new generation of artists. Guided tours are held regularly for DekaBank’s business partners and employees. DekaBank participated in “Kunst privat! Hessische Unternehmen zeigen Ihre Kunstsammlungen” [Private art! Hessian companies show their art collections] for the four-

teenth time in 2018 and opened the doors of the exhibition to interested visitors.

On the occasion of the 100th anniversary, the MMK Museum for Modern Art received four major works from the DekaBank art collection as a gift to be made accessible to a broader public. The collection of the MMK was thus supplemented by works of artists, who were not represented there as yet.

MMK Museum for Modern Art Frankfurt am Main

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

In the year under review, MMK held the exhibition “Social facades. A dialogue of the collections of the MMK and DekaBank”. The idea of the exhibition: Works by artists from the art collection of DekaBank were put in relation to works of the same artists from the collection of the MMK. For this, Dr. Mario Kramer, Head of Collection of the MMK, had selected works by nineteen artists of the DekaBank art collection, including works of the renowned British artist Sarah Morris or the installation “New design for world receiver, social façade” of the major German artist Isa Genzken. The exhibition had around 21,500 visitors within three months. At the end, DekaBank had invited to a free visit with guided tours and workshops in the MMK. The catalogue resulting from this occasion reflects the presentation of works of art in the museum as well as the concept of corporate collection. The exhibition was accompanied by a positive media coverage.

International Highrise Award

Winner of the International Highrise Award (IHA) for the world’s most innovative highrise was the office tower Torre Reforma in Mexico City in the year 2018. Architect Benjamín Romano accepted the award endowed with 50,000 euros and the titanium statuette of renowned artist Thomas Demand at a ceremony at St. Paul’s Church in Frankfurt. The award was presented by Dr. Ina Hartwig, Head of the Department of Culture and Science of the city of Frankfurt am Main, Dr. Matthias Danne, Head of Finance and Real Estate of DekaBank and Peter Cachola Schmal, Director of the German Architecture Museum (DAM).

In contrast to the continuing worldwide trend towards residential tower as well as towards ever larger mixed-use projects, this year's winner is an office building with an additional restaurant and fitness centre. The earthquake problem prevailing in Mexico City requires a clever supporting structure concept, which gives the 246-metre high office tower its significant appearance. With the massive concrete walls, which are anchored 60 meters deep into the earth, Benjamín Romano has taken up the architectural traditions of the Aztecs and interpreted them topically.

The award was initiated in 2003 jointly by the city of Frankfurt with the German Architecture Museum (DAM) and DekaBank. Since then, it is organised and financed by the DAM and DekaBank in partnership and was awarded for the eighth time in the year 2018. The IHP is regarded as the world's most important architecture award for highrise buildings. The award is given to structures, which distinguish themselves through excellence in aesthetics, futuristic design, urban integration as well as innovative technology, economic viability, marketability and, in particular, even through sustainable construction. The reporting in over 200 national and international media testifies to the fact that the IHP established itself strongly in the meantime.

Dresden State Art Collections

Since 2006, DekaBank has been one of the main sponsors of the Dresden State Art Collections (SKD). In the year under review, three exhibitions have been supported within this framework. Besides the exhibitions "MOMENTS. Baroque ivory works in the dialogue of the arts" and "The Chocolate Girl" with works of Jean-Étienne Liotard, the exhibition "Against the invisibility – Female designers of the Deutsche Werkstätte in Hellerau from 1898 to 1938" were shown. It deals with a previously hidden chapter of the German history of design: the doctrine and the works of 19 female designers in a male-dominated occupational field. The exhibition was opened by Manuela Better, Director of Risk Management of DekaBank, on 02.11.2018.

Foundation for Photography and Media Art with Michael Schmidt Archive

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

National Youth Orchestra

In December 2017, DekaBank and the supporters of the National Youth Orchestra – Stiftung Bundesjugendorchester and Deutsche Musikrat [German Music Council] – have agreed to collaborate up to 2020. The support includes the

promotion of participants during the at least three working phases and the Orchestra tours every year as well as the procurement of musical instruments.

The National Youth Orchestra, which was founded in 1969 by the German Music Council, is the national youth orchestra of the Federal Republic of Germany. Its work is focussed on supporting the participating musicians, who are between 14 and 19 years old. 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 Sparkassen-Finanzgruppe as a major sponsor for over 50 years. The young musicians play under the direction of renowned conductors and soloists. Since 2018, Sir Simon Rattle is Honorary Conductor of the National Youth Orchestra.

In the year under review, the orchestra performed 31 concerts in Germany and abroad. These included the concerts during the ceremony on the occasion of the 100th anniversary of DekaBank on 01.02.2018, in which the cooperation was officially announced, at the staff event on the next day as well as within the scope of the Deka Institutional Investment Conference on 29. and 30.11.2018 in Oberursel.

6.4 Sport

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

6.5 Historical archive and Dekarium

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

In the year under review, the "Dekarium" was set up as a "lively presentation of history" for the 100-year anniversary of the Deka Group. For this, the contents of the historical archive were prepared for a vivid and interactive exhibition with the help of modern technology. The exhibition is open to the savings banks, members of Sparkassen-Finanzgruppe, active and former employees of the Deka

Group as well as interested members of the public. The exhibition is structured such that the three areas “German history”, “Sparkassen history” and “DGZ-/Deka history” are presented simultaneously. In the “Gallery of contemporary witnesses”, contemporary witnesses such as the former DSGVO President and long-standing Chairman of the Board of Management Dr. Helmut Geiger get a chance to speak; they give a first-hand-account of special events from the history of DekaBank. In the year under review, 180 guided tours took place; a total of around 2,500 visitors were given a comprehensive and vivid insight into the turbulent history of the Deka Group.

6.6 Donations

In the year under review, the Deka Group donated a total of 905,126.04 euros. The largest of the total 145 single donations went to the Goethe University and the foundation of Christian children and youth work “Die Arche e.V.” in Frankfurt. Other local donations were made within the framework of the “Deka – making a local commitment! 2018” campaign. Each year, facilities that are close to the hearts of employees or in which they are involved themselves, are supported with 1,000 euros each. On the occasion of the anniversary year, the number of these facilities has doubled from 25 to 50. In 2018, there were 413 project submissions.

In the year under review too, the Restcent scheme took place, in which DekaBank employees can donate the cent amounts of their monthly salaries. In the run-up, the employees were able to select the 2018 donation recipient from a wide range of eligible institutions. This year, they selected the Bärenherz Foundation, a foundation based in Wiesbaden for children with incurable diseases. 1,207 employees regularly donated their cent amounts in 2018. Thanks to their commitment, a donation amount of 7,114.80 euros was achieved, which was rounded by DekaBank to 10,000 euros.

The Deka Group awards donations to institutions, which serve exclusively and directly for the promotion of charitable, church and benevolent purposes and are entitled to issue tax donation certificates. Donation requests, which are in general addressed to the Deka Group, are processed by the Sustainability Management Department and are documented in the central donation register of DekaBank. Moreover, the department regularly informs the Board of Management about the donations made.

The divisions of Compliance and Taxes can any time check the donation register for control purposes. The competence regulation of the Deka Group about donations stipulates that up to 500 euros, the respective units can decide about the allocation. Up to 2,500 euros it is the decision of

KEY FIGURES OF SOCIAL COMMITMENT (TABLE 17)



617,156 EUROS
Deka funds for **education and science** in 2018



497,284 EUROS
Deka funds for **art and culture** in 2018



286,377 EUROS
Deka funds for **sport** in 2018

TOTAL COMMITMENT (€)	2014	2015	2016	2017	2018
Social affairs	311,900.41	763,955.93	220,748.97	265,940.91	249,798.12
Education and science	676,885.59	470,916.00	498,689.84	473,968.00	497,284.00
Art and culture	719,337.00	413,900.00	421,839.00	522,500.00	617,155.60
Sport	223,900.00	160,800.00	191,840.00	159,350.00	286,376.97
Miscellaneous	10,255.00	115,382.00	29,500.00	106,260.84	78,678.84
Total	1,942,278.00	1,924,953.93	1,362,617.81	1,528,019.75	1,729,293.53

STRUCTURE OF FUNDING (€)	2014	2015	2016	2017	2018
Donations	904,901.00	1,327,748.00	789,646.84	874,166.05	905,126.04
Sponsoring	1,037,377.04	597,205.93	572,970.97	653,853.70	824,167.49

the head of Sustainability Management, up to 5,000 euros it is the decision of the head of the Board Staff & Communication unit, up to 10,000 euros it is the decision of the Chairperson of the Board of Management and above 10,000 euros it is the decision of the entire Board of Management.

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

About the report

For the year under review 2018, DekaBank meets the provisions of the “law to strengthen the non-financial reporting of companies in their management reports 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 (COMPARE <https://www.deka.de/deka-gruppe/investor-relations/publikationen>, annual report of the Deka Group, note 81 “Information on holdings in subsidiaries” and note 83 “List of shareholdings”) and DekaBank Deutsche Girozentrale within the scope of the Sustainability Report 2018 and publishing it on its homepage by 30.04.2019. 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 areas 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.

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, to 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 2018, the Deka Group reports, beyond these aspects stipulated by the CSR-RUG, about other objectives and measures that are considered to be important by other target groups of the report, particularly the sustainability rating agencies, for the understanding of the sustainably-related commitment and the impact of the Deka Group on employees, the environment and society.

Environmental concerns

Environmental concerns are relevant for the Deka Group in different contexts. This includes, on 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 (EP), such risks can be minimised. These aspects are discussed in CHAPTERS 2.5 “Regulations and standards” and 3.2 “Sustainability in lending”. 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 5 “Sustainable banking”.

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 occupational health and safety is discussed in CHAPTER 4. “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 Banks Act and is therefore also a guideline for the actions of the Deka Group. Its extensive social action is described in CHAPTER 6 “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 obliges 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

obliged 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 is contained in CHAPTER 2.5 “Regulations and standards”, 3.2 “Sustainability in lending” and 5.2 “Procurement”.

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 sanctions – 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 2.6 “Compliance”.

Audit of the separate non-financial report

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 30.04. of the following year. The auditor does not check the contents. AGIMUS GmbH was commissioned to perform an external content review of the joint separate non-financial report (Sustainability Report 2018) of DekaBank Deutsche Girozentrale and the Deka Group. The audit includes the compliance of the Sustainability Report with the requirements of the HGB.

The legal bases for the creation of the separate non-financial report does not include instructions for the selection of the auditor for the external content review. DekaBank has decided to assign the audit order to an external expert, AGIMUS GmbH. AGIMUS GmbH has great expertise as an environmental verifier in certification processes according to ISO and in the sustainability context on the basis of the respectively valid GRI framework. In addition, it has detailed knowledge of the environment and sustainably-related structures and processes in the Deka Group, because it accompanies the Deka Group’s certification according to the environmental standard DIN EN ISO 14001 since 2009 as environmental verifier and annually verifies the compliance with the relevant specifications. Since the reporting year 2014 – and thus before the CSR-RUG entered into force – AGIMUS GmbH has also been commissioned with the audit of the Sustainability Report of the Deka Group 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 2019.

After completion of the audit, both experts have come to the conclusion that the joint, separate non-financial report (Sustainability Report for DekaBank Deutsche Girozentrale and the Deka Group) for the period from 01.01.2018 to 31.12.2018) 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.

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 has been prepared in accordance 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.

As a rule, all the information provided in the report relates to the calendar year 2018, any exceptions to this have been indicated accordingly.

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 30.04. 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 2018) of 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 2019.

It is our job to check the information in the Sustainability Report on traceability as well as the completeness and accuracy according to the requirements of the law to strengthen the non-financial reporting of companies in their management reports and group management reports (CSR Guideline Implementation Act), the HGB and the reporting standards 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 review.

Independence and quality assurance of the environmental verification provider

We observed the requirements for the independence of environmental verification providers as well as further professional ethical requirements for third party reviews and conducted our review of the Sustainability Report in line

with the procedures for the certification of the environmental management system set out in ISO 14001. In addition, the correctness of the information in the Sustainability Report was verified through an on-site check in Frankfurt.

Audit 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.

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

- Interviewed employees from the departments responsible for the preparation of the report about the process for preparing the report and on the internal controls in place around this process;
- Inspected documents regarding the sustainability strategy and gained an understanding of the environmental and sustainability management structure, the stakeholder dialogue and the development process for the company's environment and sustainability programme;
- Interviewed employees in the specialist departments responsible for individual sections of the report;
- Recorded the procedures and documentation of the systems and processes for the collection of data and information;
- Aggregated selected data; performed an analytical review of data included in the report;

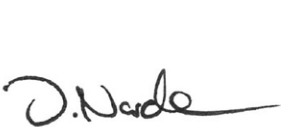
- Plausibility check and aggregation of the sustainability data as well as its verification;
- Conducted audits and site inspections during the audit in Frankfurt am Main;
- Obtained further evidence for the information in the report through intensive inspection of internal documents as well as reports and records from external service providers.

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

Opinion

After completion of the audit, both experts have come to the conclusion that the joint, separate non-financial report (Sustainability Report for DekaBank Deutsche Girozentrale and the Deka Group) for the period from 01.01.2018 to 31.12.2018) 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.

Brunswick, 4th February 2019



Dr. Julia Norden, AGIMUS GmbH



Dr. Ralf Utermöhlen, AGIMUS GmbH
(Environmental Verifiers, DE-V-0080)



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INFORMATION ON THE INTERNET

The Sustainability Report 2018 of the Deka Group can be found on our website www.dekabank.de under "Deka Group/Sustainability"

ORDERING SERVICE

We would be pleased to send you the Sustainability Report 2018 of the Deka Group. If you want to receive our Sustainability Report on a regular basis, please contact us.

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DESIGN, EDITING AND LAYOUT

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VALIDITY OF INFORMATION

This document is a translation of the corresponding Sustainability Report 2018, which was written in German. In case of any inconsistency or translation-related differences the German language version shall prevail.



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