

**Deka Group**  
Sustainability Report 2021



2021

# Deka Group – Key Figures 2021<sup>1</sup> (TABLE 1)

<b>BUSINESS DEVELOPMENT INDICATORS</b>		<b>31 Dec 2020</b>	<b>31 Dec 2021</b>
Total assets	€ m	85,509	88,866
Total customer assets	€ m	339,160	395,148
thereof retail customers	€ m	167,159	196,485
thereof institutional customers	€ m	172,001	198,662
Number of securities accounts	(thousand)	4,973 <sup>2</sup>	5,215 <sup>2</sup>
		<b>2020</b>	<b>2021</b>
Net sales	€ m	32,148	35,735
thereof retail customers	€ m	12,600	25,032
thereof institutional customers	€ m	19,548	10,703
<b>SUSTAINABILITY RATING<sup>3</sup></b>			
Sustainalytics		17.8 Low Risk <sup>4</sup>	17.4 Low Risk
MSCI ESG		AA	AA
ISS ESG		C+ Prime	C + Prime
V.E		41 % Limited	55 % Robust
<b>SUSTAINABLE PRODUCTS</b>			
Volume of sustainable retail funds	€ bn	7.4	19.6
Managed capital in sustainable products (securities)	€ bn	22.1	47.5
Share of certified buildings in property funds <sup>5</sup>	%	68	74
Sustainable investment volume of Depot A proprietary investments	€ bn	9.9	8.7
<b>SUSTAINABLE HR MANAGEMENT</b>			
Number of employees	group-wide	4,541 <sup>6</sup>	4,622 <sup>6</sup>
	Germany	4,117	4,279
Proportion of women in Germany	%	38.9	38.7
Proportion of women in leadership positions in Germany	%	19.2	19.6
Part-time ratio in Germany	%	20.9	21.5
Turnover rate in Germany	%	4.9	3.1
Financial cost of further training in Germany	€/employee	676	865
<b>SUSTAINABLE BANKING</b>			
Power consumption <sup>7</sup>	kWh	9,859,466	8,903,986
Energy consumption <sup>7</sup>	kWh	19,286,304	19,899,781
Paper consumption <sup>8</sup>	t	674	777
Drinking water consumption <sup>7</sup>	m <sup>3</sup>	27,289	24,693
Volume of waste generated <sup>7</sup>	t	112.4	408.4
Business trips (group-wide, without S Broker)	km	13,090,050	10,089,716
Direct greenhouse gas emissions (scope 1) <sup>9</sup>	kg	1,263,411	1,077,192
Indirect greenhouse gas emissions (scope 2) <sup>9</sup>	kg	3,118,779 <sup>10</sup>	3,113,053
Other indirect greenhouse gas emissions (scope 3) <sup>9</sup>	kg	1,817,312	2,009,122
Greenhouse gas emissions (total) <sup>11</sup>	kg	6,199,502 <sup>10</sup>	6,199,367
<b>CORPORATE CITIZENSHIP</b>			
Expenditure for foundations, donations and sponsoring	€ m	1.28	2.08

<sup>1</sup> From 1.1. to 31.12.

<sup>2</sup> Including S Broker AG & Co. KG

<sup>3</sup> Last updated: Sustainalytics: 10.08.2021; MSCI: 28.08.2020 (last interim update: 28.05.2021); ISS ESG: 22.06.2020; V.E: 05-2021

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

<sup>5</sup> See chapter 4.1.1.2.2. "Real Estate-based investment products"

<sup>6</sup> The 176 employees of S Broker as well as the 56 employees of IQAM are not included and are listed separately in chapter 4.2. "Employees – Sustainable HR management".

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

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

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

<sup>10</sup> Recalculation of emissions due to purchase of green electricity via utility billing in Luxembourg as of 2020.

<sup>11</sup> The GHG Protocol covers five other climate-relevant gases in addition to CO<sub>2</sub>: methane, nitrous oxide, sulphur hexafluoride and two groups of fluorocarbons (CO<sub>2</sub>e).

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



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# 1. Foreword

**Dear Ladies and Gentlemen,**

although there was no need for further evidence, the year 2021 has once again clearly shown us the state of the world's climate. The devastating floods in many regions of Germany were among a multitude of climate-related natural disasters around the globe. In its sixth assessment report published in August 2021, the Intergovernmental Panel on Climate Change (IPCC) warned urgently that the goal agreed in the Paris Agreement to limit the global temperature increase to 1.5° C can only be achieved through immediate and comprehensive measures. In the final document of the Climate Change Conference COP 26 in Glasgow, the participating countries commit themselves to once again intensify their efforts to limit the temperature increase to 1.5° C.

In this context, it is crucial that each individual company asks itself where it can make the greatest contribution to protecting the climate and the environment and achieving other sustainability-related goals. For the Deka Group, the social goal of supporting the transformation of companies towards a climate-friendly, resource-conserving and fair circular economy is a top priority. With its voluntary commitment to climate-friendly and sustainable business practices, which DekaBank was the first alliance company to sign, the Sparkassen-Finanzgruppe has set the framework for this.

With our Management Agenda 2025, we set the strategic course last year to anchor climate protection and sustainability as a central cornerstone in our awareness and actions and to further accelerate the Deka Group's development as a customer-oriented, innovative and sustainable Wertpapierhaus. It is therefore our strategic response to the numerous political, social and regulatory challenges of our time. In addition to defining fundamental principles for our sustainable orientation, the programme includes numerous concrete individual measures, with which we will further strengthen the issue of sustainability both in internal structures and in our processes, particularly product development and optimisation.

With its Action Plan for Financing Sustainable Growth, the EU Commission is pursuing the declared goal of redirecting the assets of private and institutional investors into sustainable capital investments in order to finance the climate protection investments required for the transformation. Achieving this goal requires, above all, attractive investment products that give private and institutional investors the opportunity to invest effectively in the transformation of the economy. The Deka Group once again expanded its range of sustainability and impact-oriented investment products in the year under review and can now offer investors a wide range of sustainability-oriented funds, ETFs and certificates.

In addition to product development, climate protection is also very important in other areas of our business activities. For example, we have not only compiled a comprehensive inventory of climate and environmental risks and conducted a structured business environment analysis, but have also calculated for the first time, on the basis of the Taxonomy Regulation, what proportion of our business is accounted for by economic activities that fall under the regulations of the EU Taxonomy of Sustainable Economic Activities. We report on the results of this analysis in a separate chapter of this Sustainability Report. The results of the many individual projects are incorporated into our climate strategy, the cornerstones of which we developed in the year under review and which we will finalise in 2022. Our commitment to climate protection becomes very "tangible" when dealing with our own carbon dioxide emissions. In this respect, we decided to compensate for unavoidable emissions from our business operations.

At the end of the year under review, the first employees moved to the new location, which not only enables innovative and contemporary forms of working and collaboration, but also meets high standards of climate and environmental compatibility. We know that for more and more employees, the question of whether their employer seriously addresses the challenges of sustainable development and makes an effective contribution to solving societal challenges plays a role. Against this backdrop, addressing the challenges of climate protection and sustainability is also an important component of our employer brand in order to attract and retain well-trained and motivated employees for the Deka Group. In addition to satisfaction, diversity within the workforce is also an important factor in developing innovative and successful solutions for our customers. To promote diversity, we therefore adopted a comprehensive diversity strategy in the year under review.

## Foreword

We underlined our sustainability-related ambitions for the first time in 2011 by committing to the UN Global Compact. By joining the world's largest and most important voluntary commitment by companies to responsible and far-sighted corporate governance, we have committed ourselves to implementing its ten principles, which relate to the observance of human rights and labour standards, the protection of the environment and the fight against corruption and bribery. This commitment to the principles of the UN Global Compact also includes the obligation to report annually on the measures implemented and progress made. We fulfil this obligation with this Sustainability Report.

We have set ourselves a lot of goals with regard to our contribution to climate protection and sustainability. In view of the great challenges, it is important to set the right course today for a climate-friendly and sustainable future.

In the course of preparing this Sustainability Report, we were surprised by the invasion of Ukraine by Russian troops in violation of international law. No one can yet foresee what consequences this will have for the coexistence of the global communities of states. But one thing is certain: our commitment to a sustainable and thus more peaceful world is more important than ever.

Your sincerely



Dr. Georg Stocker  
Chairman of the Board of Management



### **Note on the CSR Guidelines Implementation Act (CSR-RUG) and GRI standards**

As in previous years, this report fulfils our obligation under the CSR Guidelines Implementation Act (CSR-RUG). The legally required audit of the contents of the sustainability report has been carried out since 2017, in particular by exercising the right to commission an external audit (§ 111 para. 2 sentence 4 AktG [Company Law]). The auditor has issued the audit certificate required for this, so that the corresponding legal requirements of the CSR-RUG and the relevant sections of the German Commercial Code (§§ 289b to 289e HGB) as well as the requirements of the current guidelines of the recognised Global Reporting Initiative (GRI standards) are fulfilled. The GRI Content Index can be found on our website [deka.de/deka-gruppe](https://deka.de/deka-gruppe).

### **Note on the implementation of the requirements from Article 8 of the Taxonomy Regulation (EU) 2020/852**

In order to channel capital into sustainable investments, the EU taxonomy defines the requirements that an economic activity must fulfil in order to be classified as sustainable. The taxonomy regulation requires companies in the real economy and financial institutions to report on the proportion of their business accounted for by corresponding economic activities. These regulations also apply to the Deka Group, which is disclosing corresponding information for the first time in this report. For the years under review 2021 and 2022, a reduced reporting obligation applies, which is based on the fundamental relevance of the EU taxonomy for business activity. From 2023 onwards, it will be necessary to report on the extent, to which the relevant activities are Taxonomy aligned.

For more information, see the section "Reporting under Article 8 Taxonomy Regulation/Eligibility Reporting 2021".

# Highlights of the year 2021

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## 2. Sustainability strategy

The EU Commission's action plan is linked to the goal of promoting sustainable growth in the European Union. For the Deka Group, the issue of sustainability also offers the opportunity to combine social responsibility with a qualitative growth path for the company. With field of action 3 "Growth through sustainability" of the Management Agenda 2025, the Deka Group is therefore consistently focusing on expanding activities that make a positive contribution to the transition of companies towards a climate-friendly and fair way of doing business. In order to support the efficient implementation of strategic and operational measures, sustainability-related governance structures have also been strengthened.

### 2.1. Business model

DekaBank Deutsche Girozentrale (hereinafter referred to as "DekaBank") is a federal institution under public law. Together with its domestic and foreign subsidiaries, it forms the Deka Group. DekaBank is wholly owned by the German savings banks. 50 percent of the shares, which until 2011 were held indirectly by the state banks, are held by Deka Erwerbsgesellschaft mbH & Co KG. The savings banks have pooled their shares in this company through the regional savings banks and clearinghouse associations held by them. The other half of the shares is held by the German Savings Banks Association (Deutscher Sparkassen- und Giroverband, DSGV ö.K.).

Together with its subsidiaries, DekaBank is the Wertpapierhaus for the savings banks and supports the savings banks and their customers as well as institutional investors throughout the entire securities-related investment and advisory process. Through its activities in asset management and banking business, it is a service provider for the investment, administration and management of assets.

The Deka Group's business model is characterised by the interaction of asset management and banking business. As asset management products, the Deka Group provides securities, property and credit funds as well as certificates, including the asset management services based on these products for private and institutional investors. In this context, the investment funds in asset management and institutional customers are supported in their asset management as well as capital, liquidity and risk management. In this context, the Deka Group acts as financier, issuer, structurer, trustee, asset servicing provider and custodian bank.

The Deka Group has classified its activities into five business areas, each of which combines similar areas of expertise: The Securities Asset Management and Real Estate Asset Management business areas cover asset management activities. The Capital Markets and Financing business areas cover the Deka Group's banking business. The fifth business area, Asset Management Services, provides banking services for Asset Management. The Savings Banks Sales and Institutional Customer Sales units

form the interface with sales partners and customers. The corporate centres support the business areas and sales units along the entire value chain. **CF. FIGURE 1**

DekaBank is managed with overall responsibility by the Board of Management. It steers and manages the entire Deka Group holistically, considering the strategic direction and risks. The management model is based on the principle of divisional responsibility. Torsten Knapmeyer took up his position as Chief Sales Officer on 1 April 2021. The Executive Board thus currently consists of six members with the following responsibilities:

- Chairman (CEO): Dr. Georg Stocker
- Deputy Chairman & Asset Management: Dr. Matthias Danne
- Risk (CRO): Birgit Dietl-Benzin
- Finance (CFO) & Operations (COO): Daniel Kapffer
- Sales: Torsten Knapmeyer
- Banking business: Martin K. Müller

INTEGRATED BUSINESS MODEL OF THE DEKA GROUP (FIGURE 1)



## 2.2. Cornerstones of the sustainability strategy

### 2.2.1. Growth through sustainability – strategic action programme 2025

The roots of the Deka Group's sustainability management lie in the area of environmental management. Building on relevant preparatory work, the Deka Group introduced an environmental management system certified according to DIN EN ISO 14001 back in 2009. In the same year, it published its first sustainability report, which already met the comprehensive requirements of the Global Reporting Initiative (GRI). Since the 2014 year under review, and thus already four years before the CSR Guidelines Implementation Act came into force, the sustainability report has been audited by an external expert and its audit opinion has been published therein. Since the 2015 fiscal year, sustainability aspects have been an integral part of the business strategy and thus a core component of the business policy orientation, which is thus also transparent to the Board of Management and the Supervisory Board.

With the strategic action programme 2025, which the Executive Board developed last year together with the managers and employees along the five fields of action

1. target-customer oriented sales,
2. high-performance product & service range,
3. growth through sustainability,
4. digitalisation & sustainable IT architecture and
5. modern organisation, process orientation & innovation,

the Deka Group has set the strategic course for anchoring sustainability as a central pillar of the Group's awareness and actions and for developing the Deka Group into an even more customer-oriented, innovative and sustainable Wertpapierhaus. As part of field of action 3, sustainability is to be established as a central pillar of the business model and actively promoted in line with regulatory requirements. In particular, the focus is on developing an overarching Deka Group stance on dealing with the challenges of sustainable development, which will form the basis for the holistic integration of ecological and social aspects within the company. In addition, the Deka Group is working in this area of action to develop a holistic concept along ESG criteria, strengthen governance for sustainability and systematically review and develop products and services. As the Wertpapierhaus for the savings banks, the Deka Group is thus underlining its key role and special responsibility for sustainable and climate-friendly action and the promotion of sustainable investments.

One of the numerous measures identified in the 2025 strategic action programme is that the Deka Group wants to optimise the issue of sustainability with regard to internal structures and processes – in the sense of efficient group-wide management of sustainability-related issues. For example, by establishing appropriate governance, the guiding principles must be translated into sustainable corporate management, taking into account risk and human resources management (see "Organisational anchoring"). In addition, the strategic approach is to be operationalised in individual goals and concrete measures for the coming years.

For this purpose, a first prototype for an internal sustainability dashboard has already been developed and is currently in a test phase. The dashboard is an internal reporting and management tool for the Executive Board that provides information on key sustainability indicators on a quarterly basis. The key figures are summarised in three dimensions:

1. Sustainable business volume, for example in the sale of sustainability funds or impact certificates,
2. CO<sub>2</sub> reduction paths, for example the emissions of greenhouse gases in business operations, as well as
3. Sustainability perception, which is reflected, for example, in ESG ratings, but also in the satisfaction of employees or savings banks as the most important stakeholders.

The topic is moving even more into the focus of activities in the area of product development and optimisation, because the Deka Group also sees sustainability as an opportunity for growth when developing a holistic concept along ESG criteria. Financing investments in the transformation of the economy to one that is climate-friendly and conserves resources, as well as expanding the product range in the area of sustainable capital investments, are just two examples of business opportunities that arise in the wake of the growing importance of sustainability and climate change in the financial market. The measures within the framework of the Strategic Action Programme 2025 therefore provide for a systematic examination and further development of the products and services as well as the creation of growth options, also by adapting the current portfolio (CF. CHAPTER 4.1.1.2.). This is rounded off by a consistent sales and brand presence on the topic of sustainability, including its anchoring in the employer brand. **CF. CHAPTER 4.2.1.**

### 2.2.2. Fields of action of ESG management

As with the Strategic Action Programme 2025, the Deka Group has also defined five fields of action for the management of sustainability-related issues and assigned them to the three dimensions of Environmental (E), Social (S) and Governance (G) (FIGURE 2), according to which this Sustainability Report is structured. The field of action "Sustainable banking operations" includes in particular the management of the Bank's energy and resource consumption and thus also the direct climate-related effects of business operations. The "Sustainable products" field of action focuses on the Deka Group's range of products and services in the areas of capital investment and loans. The Deka Group's HR strategy and comprehensive HR policy measures are bundled in the "Sustainable HR management" field of action. The "Social commitment" field of action comprises the measures with which DekaBank fulfils its public duty to promote social development. Finally, the "Sustainable corporate governance" field of action brings together the measures aimed at complying with external regulatory requirements and internal standards such as the Code of Ethics.

### Climate strategy of the Deka Group

In view of the physical and transitory risks of climate change and the extensive legal and regulatory measures to combat its causes and consequences, climate risks are increasingly an integral part of sustainability strategies. The Deka Group implemented various measures in this context during the year under review. As part of the risk management, not only was a comprehensive inventory of climate and environmental risks drawn up for the first time, but a structured business environment analysis was also carried out together with the strategy, which will be updated annually in future (**CF. CHAPTER 5.3.**). In addition, on the basis of the Taxonomy Regulation, the share of the business accounted for by economic activities that fall under the high requirements of the EU taxonomy of sustainable economic activities was calculated concretely for the first time. **CF. REPORTING WITHIN THE FRAMEWORK OF ARTICLE 8 OF THE TAXONOMY REGULATION: ELIGIBILITY REPORTING 2021**

In parallel, further foundations were laid for systematically recording the Deka Group's climate-relevant emissions for all relevant business areas and portfolios. This inventory serves as the basis for drawing up reduction scenarios, taking into account the Paris climate goals and the Group's own voluntary commitments, which in turn enable informed decisions to be made on a group-wide climate strategy. Within the framework of this strategy, all relevant measures are to be brought together and further developed in 2022.

FIELDS OF ACTION OF THE SUSTAINABILITY MANAGEMENT (FIGURE 2)



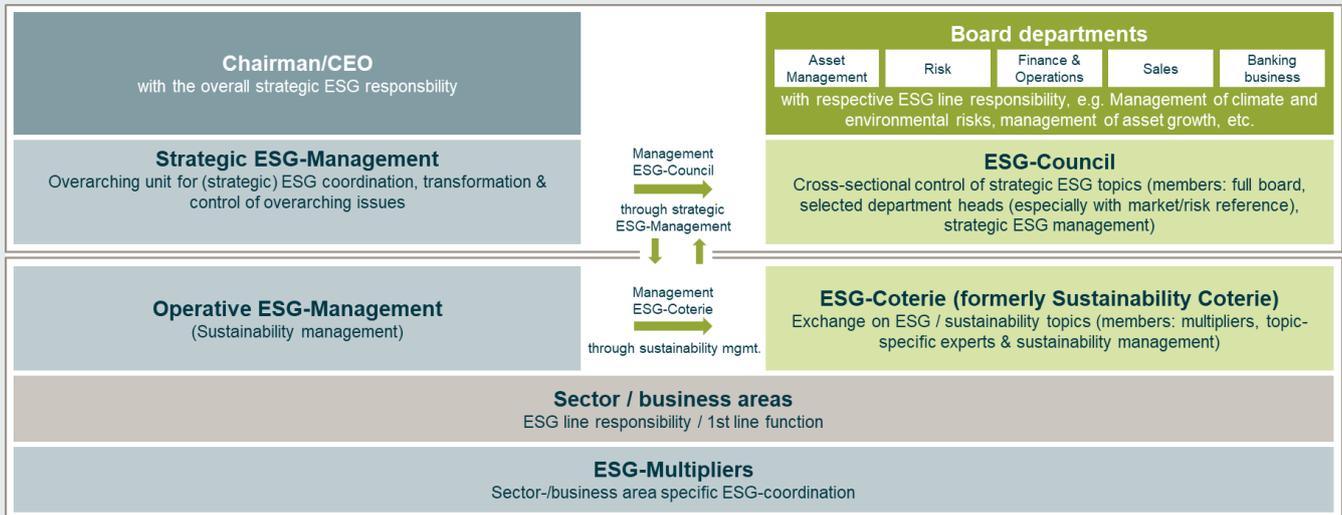
### 2.2.3. Organisational anchoring

DekaBank's ambitious sustainability-related objectives are also reflected in a new organisational anchoring of sustainability. In order to reflect the Deka Group's holistic approach to the issue, the governance concept was revised in the year under review. The focus was on the topics of organisation and responsibilities as well as coordination and control processes. In addition to the implementation of a new ESG committee, this also requires changes to the organisational structure and processes in order to manage sustainability even better within the Deka Group. The newly developed governance target is to be implemented by 2022 at the latest and pursues two goals in particular:

- Strategic and coordinative (cross-sectional) issues will in future be managed centrally in the "Strategic ESG Management" unit, which is part of the Strategy & Human Resources division. The translation and implementation of strategic objectives will be decentralised at the level of the individual divisions and units, with support provided by the existing "Operational ESG Management" (Sustainability Management) unit in the Board Staff & Communications division at DekaBank.
- For the ongoing development and implementation of the sustainability strategy, the existing Sustainability Circle will be supplemented by a new ESG committee with the participation of the full Board of Management. The ESG committee, led by Strategic ESG Management, will promote and coordinate the strategic ESG issues for the Deka Group. The current Sustainability Circle will be further developed into an ESG Circle, which, under the leadership of Operational ESG Management, will serve as a platform for professional ex-

change and coordination on group-wide sustainability issues. The implementation of the measures will be supported by the implementation of a decentralised ESG multiplier function, which is responsible for the coordination and management of all specific sustainability topics at the level of the individual business units.

STRUCTURE OF ESG GOVERNANCE (FIGURE 3)



### 2.3. Stakeholder dialogue and materiality analysis

The Deka Group's stakeholders include customers and employees, shareholders and supervisory authorities, suppliers and cooperation partners, as well as representatives from politics, the media and civil society, for example from non-governmental organisations. The Deka Group uses a wide variety of channels to engage in dialogue with the various stakeholders. These range from participation in initiatives and associations to participation in conferences and bilateral discussions. Dialogue with the various stakeholders enables the Deka Group to understand the impact of its business activities and to grasp the issues and concerns of the various stakeholders. At the same time, it offers the opportunity to explain its own position and thereby also build trust and acceptance for the Deka Group's activities. Sustainability rating agencies, which assess the quality of the Deka Group's sustainability management on behalf of institutional investors, are also an important stakeholder in this regard. The criteria they use and the assessments of the Deka Group's corresponding measures provide valuable pointers for determining where the Deka Group stands and for further improvements to the Deka Group's sustainability performance. **CF. CHAPTER 5.7. and ABOUT THE REPORT**

#### Regular stakeholder surveys

Regular surveys of various customer groups form an important basis for the Deka Group's strategic development, particularly of its products and services and its sales focus. In the year under review, the Deka Group commissioned its own analyses and supported surveys conducted by the DSGV. In addition, DekaBank regularly conducts surveys among its employees.

#### Surveys of customers

##### Wealth Barometer 2021

Together with the DSGV, the Wealth Barometer 2021 was conducted in the year under review, based on a survey of more than 4,800 citizens aged 14 and older. As in previous years, the topic of sustainability was also a thematic focus in the current survey. It showed that about one third of the respondents (33 percent) have already actively dealt with the topic of sustainability in asset accumulation. This share is the highest among 30- to 39-year-olds (42 percent) and lowest among 50- to 59-year-olds (27 percent). Nineteen percent have informed themselves in general about sustainable capital investments, ten percent have asked about corresponding investment products in the survey. Seven percent of the respondents stated that they had already invested in a sustainable investment. This value has not increased compared to previous years despite the increased importance and public perception of the topic of sustainability.

##### Deka Investor Monitor 2021

Sustainability was also one of the topics covered by the Deka Investor Monitor, a representative survey of just under 4,500 German citizens aged between 18 and 75 conducted on behalf of DekaBank in June and July 2021. The results show a distribution between expressed interest and actual activities that is quite typical for surveys on environmental and sustainability topics. Fifty-seven percent of respondents expressed a fundamental interest in sustainable investment, while ten percent had actually invested sustainably. About one third of the respondents say they have never heard of sustainable investment; thirty-six percent of the respondents feel sufficiently informed about sustainable investment. Around one in three (32

percent) said they would like to be actively approached by their savings bank advisor about sustainable investments.

### **Deka customer satisfaction survey 2021**

In September and October 2021, a customer satisfaction survey of 1,001 customers was carried out, in which, in addition to satisfaction with DekaBank, an assessment of the Deka Group's sustainability services was surveyed for the first time. DekaBank achieved very good scores in terms of satisfaction: of the customers surveyed, 86 percent rated DekaBank as "excellent", "very good" or "good" overall. The results on the sustainability questions confirm the findings of the materiality analysis carried out by imug (see below): 54 percent of respondents rated the overall performance in the area of sustainability as "excellent", "very good" or "good", while 28 percent gave "no response" to this question.

### **Further surveys**

The survey, which was conducted by the market and opinion research institute YouGov on behalf of DekaBank in September 2021, also focused on attitudes and activities in the area of sustainable investment. As part of the representative survey, 2,046 German citizens aged 18 and over were questioned. In the survey, 47 percent of the respondents stated that sustainability is rather or even very important to them when investing money. The criteria that are particularly important to them when investing sustainably include the exclusion of nuclear energy (40 percent), the exclusion of coal (40 percent), the exclusion of so-called unconventional oil and gas production, e.g. fracking (39 percent), and a focus on companies with a positive ecological and social impact (33 percent). Seven percent of the respondents said they had already invested their money in a fully sustainable manner, and for another 30 percent this applies to part of their capital investments.

### **Survey of the savings banks as partners of the Deka Group**

As part of the DekaBank Expert Pool, DekaBank surveys over 600 managers and advisers from savings banks three times a year on various aspects of sales. In the year under review, questions on the topic of sustainability were regularly asked. The Deka Group's sales support services on this topic – from the training offered to final customer communication and products – received a high level of approval from the savings bank employees surveyed. In the November/December 2021 survey, for example, 86 percent of respondents said that the Deka Group provides the savings banks with sufficient support on the topic of sustainability in the form of qualification measures and sales support tools. Eighty-one percent say that the Deka Group as a company is credibly positioned in terms of sustainability.

### **Employee surveys**

In addition to analysing the attitudes and activities of investors, surveys are also an important tool for systematically recording

the assessments and requirements of the Deka Group's employees. To this end, more compact employee surveys, known as pulse checks, are to be carried out as a strategic tool and also for the continuous, participatory and sustainable development of the Deka Group. The involvement of employees through pulse check surveys is seen as a crucial factor in the achievement of corporate goals and the sustainable development of the Deka Group. Pulse checks give employees the opportunity to provide feedback on specific issues and identify areas, where action is needed. In addition, pulse checks are used to assess employee satisfaction and commitment. A structured follow-up process ensures that effective measures are developed for the identified potential for improvement.

As part of the pulse check conducted in the year under review, employees were asked about their perceptions and experiences in connection with sustainability-related aspects. Of the total of 2,160 employees, who took part, 86 percent stated that it is important to them personally to act sustainably. The very high level of employee commitment is also reflected in other results of the survey. For example, 62 percent of respondents would like the Deka Group to become even more involved in the context of sustainability. For 47 percent of employees, the Deka Group's existing range of products and services does not yet sufficiently reflect the importance of sustainability.

### **Materiality analysis**

As part of its reporting in accordance with the CSR Guidelines Implementation Act and the internationally recognised Global Reporting Initiative (GRI) standard, DekaBank regularly prepares a materiality analysis. The materiality analysis is based on the survey of external stakeholder expectations of the Deka Group as part of a representative customer survey, as well as the results of an internal survey on the importance of the factors rated as particularly important by customers.

The analysis of external expectations was developed and tendered by the DSGV and DekaBank as part of a working group in the year under review. The results of the survey provide the two initiators with valuable information on the importance of individual ESG topics and the assessment of current performance by (non-)customers of the savings banks. They thus not only form a central basis for the structural and content-related design of the Deka Group's Sustainability Report, but also support the implementation of the Target 2025 – Guidelines for Sustainability in Savings Banks (Zielbild 2025 – Leitfaden zur Nachhaltigkeit in Sparkassen), which was drawn up in 2020 in the Sparkassen-Finanzgruppe.

As in 2016 and 2019, the survey was conducted by imug Beratungsgesellschaft für sozial-ökologische Innovationen, which prevailed in the tender process. For this purpose, imug Beratungsgesellschaft surveyed a total of 3,011 people, who are at least partially responsible for banking decisions in their

households as part of the newly designed, representative online survey. Of this population, 2,020 were customers of savings banks, 500 of whom owned securities at the time of the survey. In addition, 991 non-customers were surveyed as a comparison group. The online survey was supplemented by so-called live chats, in the context of which two focus groups of 12 and 14 people respectively discussed aspects of sustainable capital investment. All members of the focus groups belonged to the population of the representative online survey. The focus of this survey with reference to the Deka Group was not only the importance of individual services, but also the perceived sustainability performance as well as the attractiveness and credibility of sustainable securities. A direct comparison of the results of the current survey with those of the previous surveys from 2016 and 2019 is not possible due to conceptual changes.

A survey conducted in September of the year under review dealt with the perceptions and expectations of employees in the area of sustainability. The population comprised 147 employees, including members of the Sustainability Circle, project staff from field of action 3 "Growth through sustainability" of the Management Agenda 2025 and other internal sustainability initiatives of the Deka Group. Sixty percent of the population (previous year: 55 percent) took part in the voluntary and anonymous online interviews. The aim of the survey was to find out the importance of the Deka Group's services and offerings in the area of sustainability from an internal perspective.

As a result of the two surveys, the assessment of the materiality of the individual fields of action from an external and internal perspective is generally homogeneous. Both customers and employees attach particularly high importance to the offer of securities, funds and other investment products with clear sustainability benefits. Thus, 24 percent of the customers surveyed described a corresponding offer as very important, and another 45 percent as important. Among the employees, 70 percent of the respondents rated the offer as very important, and another 27 percent rated this measure as important. The provision of information on sustainable investment products was rated as very important by 25 percent of the customers and as important by 45 percent; among the employees surveyed, the corresponding percentages were 61 and 35 percent respectively.

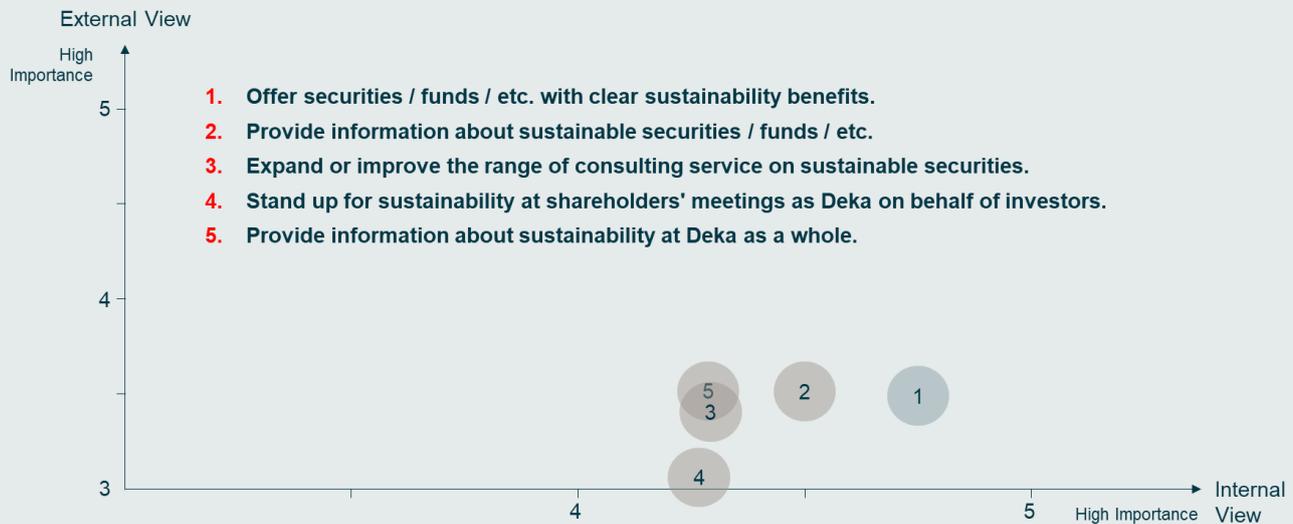
The improvement or expansion of the range of advice on sustainable securities and the publication of information on sustainability at DekaBank also achieve high scores in terms of importance. For example, 21 percent of customers rate the advisory service as very important and 45 percent as important. In the internal perspective of employees, 58 percent of respondents rate the importance as very high, 36 percent as high. The provision of information on the Deka Group's sustainability performance, for which this Sustainability Report is of great

importance, is rated as important or even very important by a total of 69 percent of customers, and the same applies to a total of 92 percent of employees. The survey conducted by imug Beratungsgesellschaft revealed that 45 percent of the savings bank customers surveyed, who own securities, rate the Deka Group's sustainability as good or better. Just under one in three (31 percent) stated that they could not assess it. According to the external and internal respondents, the Deka Group's sustainability-related commitment at AGMs is comparatively least important, but still very important in the overall context. Fifty-nine percent of the customers surveyed assigned it a high or very high level of importance, while 87 percent of employees rated it as very important.

As a consequence of these results, the presentation of sustainable investment solutions in chapter 4.1. has been expanded again in this Sustainability Report. The background report "Sustainability in customer advisory services" also provides a broad overview of the relevant activities of the Deka Group to directly inform investors and support customer advisers in the savings banks.

In addition, the content of the sustainability report takes into account the comprehensive information interests of the sustainability rating agencies and other stakeholders, in particular the supervisory authorities and non-governmental organisations, for whom the report is a key source for assessing the Deka Group's sustainability-related performance (**CF. CHAPTER 5.7.**). In addition, the various conceptual and content-related requirements resulting from regulatory specifications, in particular the CSR-RUG, as well as voluntary obligations, in particular the orientation towards the GRI standards, the requirements of the German Sustainability Code (Deutscher Nachhaltigkeitskodex, DNK) and the progress reporting as part of the signing of the UN Global Compact, must be fulfilled. **CF. CHAPTER "ABOUT THE REPORT"**

## RESULTS OF THE MATERIALITY ANALYSIS (FIGURE 4)



**Note:** For reasons of readability, the scale starts at the value 3 and thus already at the assessment "medium importance". The topic "Offer securities/funds/etc. with clear sustainability benefits" was rated as the top topic both externally and internally and therefore highlighted in colour in the figure.

## 2.4. Sustainability communication

Sustainability issues are an integral part of the Deka Group's communications strategy and are regularly communicated with all relevant stakeholder groups. The Deka Group informs stakeholders, whether shareholders, customers, employees or the general public, about sustainability-related events and developments. The Deka Group uses the entire spectrum of available communication channels. These range from the employee magazine, press events and social media to sales and customer events. The Deka Group's website ([deka.de/deka-gruppe](http://deka.de/deka-gruppe)), which provides up-to-date information on the Deka Group's sustainability-related activities, also offers a comprehensive range of services. An overview of relevant subpages can be found in the imprint of the report. Since this year, employees of the Deka Group have had access to an additional area on the Intranet, where information on the Deka Group's sustainability activities is bundled. The Board Staff and Communications division is in constant contact with the specialist units in order to identify issues relevant to sustainability and to disseminate them through the appropriate communication channels.

A central component of sustainability communication is the Sustainability Report. Since the 2017 fiscal year, the Deka Group, like numerous capital market-oriented companies, insurance companies and credit institutions, has been obliged by the "Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports (CSR Guidelines Implementation Act/CSR-RUG)", which was passed in spring 2017, to prepare a so-called non-financial report. Further details on this can be found in the chapter "ABOUT THE REPORT".

The Deka Group applies the recognised guidelines of the Global Reporting Initiative (GRI) when preparing its sustainability report. Since 2013, the Deka Group has also prepared a declaration of compliance under the DNK, which is published on the website of the German Council for Sustainable Development (Rat für Nachhaltige Entwicklung, RNE) ([deutscher-nachhaltigkeitskodex.de/de-DE/Home/Database](http://deutscher-nachhaltigkeitskodex.de/de-DE/Home/Database)).

### Climate reporting based on the recommendations of the TCFD

Deka Investment GmbH has been a supporter of the objectives of the “Task Force on Climate-related Financial Disclosures” (TCFD) since 2018. On behalf of the Financial Stability Board (FSB), the TCFD developed recommendations for globally uniform reporting on dealing with climate risks and published them in 2017. The eleven concrete recommendations relate to the four topics listed below.

Due to the high importance of the topic, the foundations for the publication of a TCFD reporting are to be laid at group level. This should also ensure that the requirements of the PRI can be taken into account, which expects signatories to provide corresponding information in the future.

In the course of the successive implementation of the recommendations of the TCFD, this report already deals with various aspects that are relevant from the perspective of the TCFD. At this point in time, the information does not claim to be complete with regard to the coverage of all recommendations. An expansion of the climate reporting is planned for the coming years.

#### Governance

Disclosure on the coverage of climate-related risks and opportunities in corporate governance.

- CHAPTER 2.2. Cornerstones of the sustainability strategy
- CHAPTER 5.3. Risk management

#### Strategy

Disclosure of actual and potential impacts of climate-related risks and opportunities on the company's business, strategy and financial planning.

- CHAPTER 4.1.1.2.1. Capital market-based investment products (ESG integration in the investment process, impact & allocation reporting for green bonds)
- CHAPTER 4.1.1.2.2. Real estate-based investment products (business field strategy)
- CHAPTER 4.1.2. Sustainability in lending
- CHAPTER 5.3. Risk management
- Background report on customer advisory service

#### Risk management

Information on how the company identifies, assesses and manages climate-related risks.

- CHAPTER 4.1.1.2.1. Capital market-based investment products (ESG integration in the investment process)
- CHAPTER 4.1.1.2.2. Real estate-based investment products (sustainable real estate funds; sustainable real estate management)
- CHAPTER 4.1.2. Sustainability in lending

#### Key figures and targets

Information on the objectives and measures that will be implemented or taken to assess and manage climate-related risks and opportunities.

- CHAPTER 3. Sustainable banking operations
- CHAPTER 4.1.1.2.1. Capital market-based investment products (ESG integration in the investment process)
- CHAPTER 4.1.1.2.2. Real estate-based investment products (sustainable real estate funds; sustainable real estate management)
- CHAPTER 4.2.6. Remuneration
- CHAPTER 5.3. Risk management
- Reporting within the framework of Article 8 of the Taxonomy Regulation: Eligibility Reporting 2021

# Developments in the EU Action Plan on Financing Sustainable Growth – the EU taxonomy

Work on the ten overarching measures of the EU Action Plan on Financing Sustainable Growth and the numerous individual measures associated with them continued with undiminished intensity in the year under review. Special attention continues to be paid to the taxonomy of sustainable economic activities. Within this framework, the EU Commission wants to define bindingly under which conditions an economic activity, for example the production of cement, the construction of a wind power plant or the renovation of a property, can be classified as sustainable.

The EU Commission started with environmental sustainability and defined six climate and environmental goals as a first step, which represent a central benchmark for assessing the environmental sustainability of an economic activity:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of ecosystems and biodiversity

Whether an activity is environmentally sustainable in the sense of the taxonomy depends first and foremost on whether it makes a substantial contribution to at least one of the six climate and environmental goals. At the same time, the activity should not harm any of the other environmental goals – this is referred to as the “Do No Significant Harm” or DNSH rule for short –, must comply with internationally recognised standards in the areas of labour and human rights, and must meet detailed technical requirements.

The topics of labour and human rights took on additional significance in the year under review as a result of the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) passed in July 2021. From 2023, it will initially apply to companies with at least 3,000 employees, and from 2024 also to companies with at least 1,000 employees. In particular, they must ensure that fundamental labour and human rights are respected in their own operations, but especially in global value chains. This includes, in particular, the prohibition of child and forced labour as well as slavery, the disregard of occupational health and safety, the withholding of an adequate wage, the disregard of the right to form trade unions or employee representatives, the denial of access to food and water as well as the illegal deprivation of land and livelihoods. A violation of these due diligence obligations can also be seen as a violation of the corresponding requirements of the EU taxonomy. In the year under review, for example, there were intense discussions about the possible use of forced labour in the production of silicon. Insofar as these reports correspond to the facts, solar

cells in which the silicon produced in this way is used would meet the technical requirements of the EU taxonomy, but the production would violate the defined requirements for the consideration of recognised labour and human rights and would therefore not be Taxonomy-aligned.

The EU Commission has so far defined the technical requirements for the first two environmental goals – mitigating climate change and adapting to climate change. The numerous weather extremes in the year under review 2021, for example the drought and forest fires around the Mediterranean Sea as well as the floods in Western and Central Europe, have confirmed the logic of the EU Commission to start with these two global challenges, as has the current assessment report of the Intergovernmental Panel on Climate Change (IPCC) published in August 2021. This report once again underlines that mankind with its greenhouse gas emissions is mainly responsible for global warming and climate change and proves that a limitation of the global temperature increase to a maximum of 1.5° C can only be achieved if greenhouse gases are immediately and drastically reduced.

The technical criteria for the two climate goals already pose a major challenge from the perspective of the financial and real economy, as corresponding data on their compliance must be comprehensively collected and made transparent. Details on this are regulated in Article 8 of the Taxonomy Regulation. This obliges all companies that are required to publish a non-financial statement to include in these statements information on “how and to what extent the company’s activities are linked to economic activities that are to be classified as environmentally sustainable economic activities”. Specific requirements are formulated for so-called non-financial companies. From 2022 onwards, these companies will have to disclose both the share of their sales revenues generated with products and services classified as environmentally sustainable within the meaning of the taxonomy, as well as the share of their capital expenditure (CAPEX) and the share of operating expenditure (OPEX) in connection with assets or processes associated with environmentally sustainable economic activities. The information provided by the companies in turn forms an important basis for the disclosure of the Green Asset Ratio. **CF. CHAPTER REPORTING WITHIN THE FRAMEWORK OF ARTICLE 8 OF THE TAXONOMY REGULATION: ELIGIBILITY REPORTING 2021**

With the technical criteria for the two climate protection goals, the EU Commission has, in purely arithmetical terms, only achieved one third of the necessary definitions for climate and environmental protection. For the other four environmental goals – the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, and the protection and restoration of biodiversity and ecosystems – corresponding criteria still have to be developed.

But even then, only part of the EU Commission's overall taxonomy system will be completed, as according to the Commission's plans, the ecological taxonomy is to be supplemented by a social taxonomy. In July 2021, the working group of the EU Commission's Sustainable Finance Platform, which was tasked with developing these social requirements for economic activities, had published initial basic considerations and put them up for public discussion. As a result of the consultation phase, there are to be adjustments to the concept – what these will look like in concrete terms remains to be seen.

### **Interim conclusion**

The EU taxonomy already poses major challenges for the real and financial economy in terms of assessing and measuring the conformity of their activities both with the very detailed technical requirements and with regard to the DNSH regulations and compliance with the minimum social standards. It should be noted that currently only a small, albeit particularly important, part of the criteria for the six climate and environmental goals has been developed and for the social taxonomy only conceptual cornerstones exist that still need to be translated into concrete criteria. It will have to be observed whether the EU Commission succeeds in developing a solid, consistent system that is manageable for the market actors in view of the multitude of goals and criteria. It should also be noted that the technical requirements in particular must be developed dynamically, as the state of the art in individual sectors changes, for example, and the requirements must be adapted accordingly. Against this background, the real and financial economy must be prepared to continuously develop their systems for recording and assessing taxonomy compliance.

## E – Environmental

### 3. Sustainable banking operations

A significant proportion of the direct climate and environmental impact of DekaBank's business operations is associated with the use of its properties. In the properties currently used at the Frankfurt site, the technical options for reducing energy and water consumption have largely been exhausted. By moving to the new locations in Frankfurt-Niederrad and the Four-T1 in Frankfurt city centre DekaBank is able to significantly reduce its environmental footprint once again, as the highest environmental standards can be achieved in both new construction projects. This is not yet reflected in the key environmental figures for the year under review, but a significant reduction in consumption and emission levels is expected for 2022. Although DekaBank is only a tenant of the property in Frankfurt-Niederrad, which it moved into at the end of 2021, together with the project development company it was one of the first banks in Frankfurt to completely offset the CO<sub>2</sub> emissions of 40,000 tonnes generated during the construction phase – as well as the other, currently unavoidable CO<sub>2</sub> emissions from business operations.

#### 3.1. Environmental management

##### 3.1.1. Environmental management system

To implement the environmental guidelines adopted by the Board of Management, in which the Deka Group commits to a sustainable business approach in economic, ecological and social terms, the Deka Group introduced an environmental management system certified according to DIN EN ISO 14001 back in 2009.

The environmental balance sheet prepared annually as part of this system covers all DekaBank buildings currently used at the Frankfurt site (Trianon, Prisma, Skyper and Hamburger Allee) and will be adjusted accordingly after moving to the new sites. The key figures on paper consumption relate to all locations in Germany, while the data on business trips is available for the entire Deka Group.

The overriding goal of the environmental management measures is to reduce greenhouse gas emissions by five percent annually and to successively extend the coverage to all Deka Group sites. The functionality of the environmental management system and the proper implementation of the associated requirements are reviewed annually as part of an audit by the auditing company AGIMUS. A comprehensive re-certification of the environmental management system was carried out in 2021, during which the environmental auditor certified that the Deka Group's environmental management system continues to be of a very high standard. The various measures carried out in 2020 and 2021 even improved this level further, according to the auditor.

##### 3.1.2. Procurement

In the year under review, DekaBank's Strategic Purchasing procured goods and services with a total gross value of Euro 300 million (2020: Euro 301 million)<sup>12</sup>. Around 85 percent of the Strategic Purchasing's contractual partners were commissioned in Germany, with the remainder from European suppliers.

When selecting suppliers, DekaBank has defined sustainability-related requirements for both the quality of the products and services purchased and the corporate governance of the suppliers and service providers. The key points of the corporate requirements are set out in the sustainability declaration that the largest suppliers sign before entering into a business relationship. In this declaration, they undertake, among other things, to comply with the core labour standards of the International Labour Organisation (ILO). Two years after the last update, a review of the sustainability declaration took place in the year under review with regard to necessary adjustments to the regulations and references to standards. Among other things, it was determined that DekaBank's contractual partners are obliged to submit a statement and documentation if there are indications of violations, in order to enable an assessment of the situation. As of the end of 2021, 330 suppliers had signed the declaration. They represent around 85 percent of the procurement volume in Strategic Purchasing. The remaining 15 percent concern smaller consulting and software companies, for which the signing is waived after weighing the potential impact on the relevant sustainability aspects and the effort required to obtain and track the declaration.<sup>13</sup>

<sup>12</sup> Strategic Purchasing includes the product groups consulting/office/business equipment, business IT infrastructure, services and personnel.

<sup>13</sup> In 2021, DekaBank ordered products and services from around 1,300 suppliers. This included numerous small and one-off orders. The number of suppliers with significant sales (> Euro 1 million) is around 70.

## E – ENVIRONMENTAL

All new suppliers are required to provide information on their environmental management standards and performance in DekaBank's purchasing portal. This gives the procurement staff the opportunity to take relevant aspects into account when negotiating with suppliers. In the year under review, new sustainability declarations were concluded with a total of nine suppliers in the areas of consulting, personnel and IT.

The majority of the advertising materials are sourced from a supplier, whose sustainability management has been audited by Ecovadis. The supplier has also undertaken to take into account the principles of the UN Global Compact and to report annually on its compliance. When selecting hotels to host events, DekaBank ensures that they are awarded at least one recognised environmental or sustainability seal, such as the Biosphere Responsible Tourism certificate, or have a certified environmental management system, e.g. in accordance with EMAS or ISO 14001.

At the beginning of the year under review, the core range of office supplies was switched to exclusively ecological items. These products are characterised by the fact that they are either certified with a recognised seal (FSC, Blue Angel, EU Eco-label, PEFC) or consist of 100 percent recycled paper or were manufactured without solvents. In addition, the range of office supplies includes items made of recycled plastic or with casings made of natural, renewable and compostable cellulose.

### 3.1.3. Resource consumption and waste

With regard to the waste volume, a special effect should be noted in the year under review. In the course of moving to the Frankfurt-Niederrad location and the complete clearance of the Prisma office building, a total of 316 tonnes of electrical and metal scrap, discarded office furniture and waste paper were generated. Wherever possible, reuse was organised. For example, a large part of the furniture from the approximately 2,000 workstations were sold to a subcontractor, who recycled some of the furniture. Without this special effect, the waste volume was at the low level of the previous year. In order to further reduce the amount of waste, takeaway trays for food from the canteen were replaced by the introduction of reusable dishes in the year under review.

In the year under review, an analysis was already carried out on how the disposal of waste at the new location in Lyoner Strasse could be made more climate-friendly. As a result of the change of the previous waste disposal company, the distances to and from the site for certain types of waste could be shortened by about 30 kilometres. All companies entrusted with the disposal of waste have a certificate as a specialist disposal company in accordance with the Closed Substance Cycle Waste Management Act. DekaBank regularly audits the companies to ensure that waste is disposed of in a safe and environmentally friendly manner.

At 777 tonnes, the paper consumption in the year under review was 103 tonnes higher than that in the previous year (674 tonnes). The reason for the increase is the mandatory mailing of changes in the General Terms and Conditions to all customers. Without this mailing, paper consumption would have remained at the previous year's level.

The so-called Packaging Act came into force on 01.01.2019. It stipulates that first distributors of goods with filled sales packaging that reach the private end consumer must be registered in advance with the Central Agency Packaging Register (Zentrale Stelle Verpackungsregister). Since the data is publicly accessible, this creates more transparency as to which manufacturers, traders and/or distributors of packaging are fulfilling their product responsibility. To implement the law, DekaBank records the relevant data in the "SoFi" environmental database it uses and transmits it to the central register.

## 3.2. Climate protection

### Energy consumption

Reducing energy consumption at the Deka Group's sites makes a direct contribution to reducing greenhouse gas emissions, particularly CO<sub>2</sub>. Based on the results of the energy audits carried out in 2015 and 2019 in accordance with DIN 16247 and as part of the environmental management system, the Deka Group's Real Estate Management was able to implement numerous measures to reduce energy consumption. In the year under review, for example, the room temperature in the IT technical rooms was increased by two to four degrees, thereby saving energy in the area of room cooling. Sensors were installed to monitor compliance with the target temperature of 23° to 25° Celsius. With this measure, DekaBank is also implementing a requirement of the banking supervisory authority, which stipulates that banks must continuously measure electricity consumption in the relevant IT rooms. Around 80,000 kWh of electricity can thus be saved per year. In the year under review, energy consumption increased by around 3.2 percent compared to the previous year. The main reason for this was the increased consumption of district heating. This is due to the higher proportion of fresh air in the ventilation system as a result of the pandemic, as well as the lack of waste heat from computers and staff present.

### Traffic

Besides energy consumption, business travel represents the most significant direct environmental impact of non-manufacturing companies such as banks and is an important starting point for further reducing climate-relevant emissions. Sustainability aspects are therefore systematically taken into account in all decisions on the design of mobility in the context of commuter traffic and business travel.

## E – ENVIRONMENTAL

### Business trips

Business travel also continued to be affected by the restrictions associated with the Corona pandemic in the year under review. For example, the number of kilometres travelled by air fell by a further 26.2 percent compared to the previous year, with long-haul flights down by 24.9 percent and short-haul flights down by 45.8 percent. DekaBank employees also travelled significantly less by train (-18.3 percent) and car (-23.3 percent) for business purposes in the year under review.

In order to further sensitise employees to consider the use of rail travel, a note will be integrated into the travel booking system that explicitly points travellers to the more climate-friendly option of travelling by Deutsche Bahn when booking air travel.

In the year under review, DekaBank joined Deutsche Bahn's "Glasgow Commitment" to make domestic business travel even more climate-friendly. Deutsche Bahn supports all organisations that have joined by offering the Bahncard 100 at half price. All travel within Germany takes place on electrified long-distance services using 100 percent green electricity.

### Vehicle fleet

The average CO<sub>2</sub> emissions of the Deka Group's entire fleet currently stand at 106g/km (previous year 113g/km). In order to further reduce these emissions, DekaBank's Board of Management ordered in the year under review to develop and implement a comprehensive concept to successively reduce the fleet's CO<sub>2</sub> footprint. The aim is to reduce the CO<sub>2</sub> emissions caused by the vehicle fleet by at least 40 percent by 2025 compared with the level in 2019; from 2028, the vehicles should then drive without any corresponding emissions. A key component in achieving this goal is the expansion of e-mobility. In cooperation with Real Estate Management and Human Resources, Fleet Management has initiated and, in some cases, already implemented a whole range of measures to increase the use of hybrid and e-vehicles. These include the creation of a model matrix for fully electric vehicles for the different groups of company car users as well as an explicit recommendation to order fully electric vehicles, the inclusion of further manufacturers of petrol and diesel hybrid models in the pool of permitted vehicles, the payment of a flat rate of 25 euros to all users of e-vehicles, who charge them at their place of residence, as well as a subsidy of 1,000 euros for the installation of wallboxes at the places of residence of those entitled to company cars. At the new location in Frankfurt-Niederrad, 21 charging stations are available, and a further 40 charging stations are technically pre-equipped and can be connected to the grid at any time.

In addition to the E-Smarts at Deka Immobilien Investment GmbH's regional locations, the Deka Group has a fleet of 98 plug-in hybrids and six pure e-vehicles as on 31 December

2021, with orders for a further 57 plug-in hybrids and fully electric vehicles on hand at the end of the year under review.

### Bicycle leasing

The bicycle leasing offer introduced in 2019 has been very well received by employees. Under this model, all permanent employees of the Deka Group have the option, similar to a company car lease, of leasing up to two bicycles worth up to Euro 5,000 gross each over 36 months as part of a gross salary conversion. During the Corona pandemic in particular, there was a high level of interest in the offer and by the end of the year under review, 942 bicycles had been leased by employees (2020: 694).

### Job ticket and car pooling

Since 1 April 2019, DekaBank's Premium-JobTicket has been valid throughout the year in the entire region of the Rhine/Main Regional Transport Association (RMV) for bus, S-Bahn, regional trains, trams and underground trains and for any number of journeys in 2<sup>nd</sup> class. For business trips from Frankfurt to the Luxembourg office, a "carpooling calendar" tool was already made available in 2018 to support the formation of carpools.

### Greenhouse gas emissions

As mentioned above, DekaBank's central goal in the area of environmental management is to reduce its own emissions by at least five percent annually. This figure is higher than the linear reduction in absolute greenhouse gas emissions of at least 4.2 percent per year on average, which the Science Based Targets Initiative (SBTi) considers necessary to limit the increase in global warming to less than 1.5°C.

This target was not achieved in the year under review. The absolute CO<sub>2</sub> emissions remained at the same level of 6,199 tonnes compared to the previous year (2020: 6,199<sup>14</sup> tonnes)<sup>15</sup>. Although it was possible to reduce business travel and electricity consumption at the locations, this was offset by increased consumption of district heating, higher waste volumes due to moving out of the Prisma building and an increase in electricity consumption by employees in their home offices. Compared to 2020, more employees worked from home.

In order to compensate for the unavoidable CO<sub>2</sub> emissions caused by its business operations, DekaBank has been offsetting its emissions since 2020 by purchasing reduction certificates from selected international projects. Further information on this can be found in the background "Avoid – reduce – offset: Offsetting unavoidable emissions from business operations".

<sup>14</sup> Recalculation of emissions due to purchase of green electricity via service charge billing in Luxembourg from 2020.

<sup>15</sup> According to the GHG Protocol, five other climate-relevant gases are grouped together in addition to CO<sub>2</sub>: methane, nitrous oxide, sulphur hexafluoride and two groups of hydrofluorocarbons (CO<sub>2e</sub>).

**E – ENVIRONMENTAL****Environmental Indicators 2021\*** (TABLE 2)GREENHOUSE GAS EMISSIONS<sup>16</sup>

	Direct emissions (Scope 1) kg CO <sub>2</sub> e	Indirect emissions (Scope 2) kg CO <sub>2</sub> e	Other indirect emissions (Scope 3) kg CO <sub>2</sub> e	Total
2018	1,770,629	5,020,602	3,641,129	10,432,360
2019	1,760,145	4,412,596	3,228,399	9,401,140
2020	1,263,411	3,118,779 <sup>17</sup>	1,817,312	6,199,502 <sup>16</sup>
2021	1,077,192	3,113,053	2,009,122	6,199,367

## ENERGY CONSUMPTION BY ENERGY SOURCE

	Trianon ML16 in kWh	Prisma HS 55 in kWh	Skyper TA 1 in kWh	HA 14 in kWh
Electricity	4,311,416	3,407,244	1,125,054	60,272
Gas	–	–	–	94,644
Diesel for emergency electricity	11,229	9,721	797	–
District heating	5,741,862	3,154,320	1,983,222	–
<b>Total</b>	<b>10,064,507</b>	<b>6,571,285</b>	<b>3,109,073</b>	<b>154,916</b>

## DEVELOPMENT OF TOTAL ENERGY CONSUMPTION

	2018 in kWh	Tolerance to 2017	2019 in kWh	Tolerance to 2018	2020 in kWh	Tolerance to 2019	2021 in kWh	Tolerance to 2020
Trianon ML16	10,767,325	5.5 %	11,680,122	8.5 %	10,026,407	-14.2 %	10,064,507	0.4 %
Prisma HS 55	6,983,756	0.4 %	6,269,473	-10.2 %	6,279,231	0.2 %	6,571,285	4.7 %
Skyper TA 1	2,779,169	0.3 %	2,799,364	0.7 %	2,827,489	1.7 %	3,109,073	10.0 %
HA 14	–	–	67,431	–	153,177	127.2 %	154,916	1.1 %
<b>Total</b>	<b>20,530,250</b>	<b>2.9 %</b>	<b>20,816,390</b>	<b>1.3 %</b>	<b>19,286,304</b>	<b>-7.4 %</b>	<b>19,899,781</b>	<b>3.2 %</b>

## DEVELOPMENT OF ABSOLUTE BUSINESS TRAVEL AS PER MODE OF TRANSPORT

	2018 in km	Tolerance to 2017	2019 in km	Tolerance to 2018	2020 in km	Tolerance to 2019	2021 in km	Tolerance to 2020
Rail transport	3,566,719	4.1 %	4,968,532	39.3 %	2,223,589	-55.2 %	1,815,773	-18.3 %
Road transport	9,589,777	-4.0 %	9,535,611	-0.6 %	8,908,530	-6.6 %	6,829,094	-23.3 %
Air transport	9,959,363	-1.5 %	9,461,517	-5.0 %	1,957,931	-79.3 %	1,444,849	-26.2 %
<b>Total</b>	<b>23,115,859</b>	<b>-1.7 %</b>	<b>23,965,660</b>	<b>3.7 %</b>	<b>13,090,050</b>	<b>-45.4 %</b>	<b>10,089,716</b>	<b>-22.9 %</b>

## DEVELOPMENT OF ABSOLUTE DRINKING WATER CONSUMPTION

	2018 in m <sup>3</sup>	Tolerance to 2017	2019 in m <sup>3</sup>	Tolerance to 2018	2020 in m <sup>3</sup>	Tolerance to 2019	2021 in m <sup>3</sup>	Tolerance to 2020
Trianon ML16	24,712	28.5 %	20,552	-16.8 %	13,202	-35.8 %	14,755	11.8 %
Prisma HS 55	20,742	20.2 %	19,383	-6.6 %	12,603	-35.0 %	8,876	-29.6 %
Skyper TA 1	2,565	-2.4 %	2,477	-3.4 %	1,321	-46.7 %	1,002	-24.1 %
HA 14	–	–	343	–	163	-52.5 %	60	-63.2 %
<b>Total</b>	<b>48,019</b>	<b>22.7 %</b>	<b>42,755</b>	<b>-11.0 %</b>	<b>27,289</b>	<b>-36.2 %</b>	<b>24,693</b>	<b>-9.5 %</b>

## DEVELOPMENT OF ABSOLUTE WASTE PRODUCTION

	2018 in t	Tolerance to 2017	2019 in t	Tolerance to 2018	2020 in t	Tolerance to 2019	2021 in t	Tolerance to 2020
Trianon ML16	100.5	-5.0 %	105.5	5.0 %	53.7	-49.1 %	30.3	-43.7 %
Prisma HS 55	92.3	-1.4 %	107.1	16.0 %	39.5	-63.1 %	362.3	818.5 %
Skyper TA 1	42.2	3.0 %	46.5	10.1 %	18.8	-59.6 %	15.7	-16.4 %
HA 14	–	–	1.9	–	0.4	-78.9 %	0.1	-81.8 %
<b>Total</b>	<b>235.0</b>	<b>-2.2 %</b>	<b>261.0</b>	<b>11.1 %</b>	<b>112.4</b>	<b>-56.9 %</b>	<b>408.4</b>	<b>363.3 %</b>

\* Data basis on energy/resource consumption and emissions:

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

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

<sup>16</sup> Due to subsequent minimal corrections, there were slight changes in the calculated emissions for 2018 - 2020.

<sup>17</sup> Recalculation of emissions due to purchase of green electricity via utility billing in Luxembourg from 2020.

# Avoid – reduce – offset: Offsetting unavoidable emissions from business operations

In addition to limiting the temperature increase to a maximum of 2°C, and if possible, even to 1.5°C, the goals of the Paris Climate Agreement include achieving a state of greenhouse gas neutrality worldwide by 2050. From this point on, the economy and society should only emit as many greenhouse gases (GHG) as are absorbed elsewhere by so-called natural sinks, for example forests and moors, or technical sinks, including CO<sub>2</sub> extraction from the ambient air (Direct Air Capture), which is why the term "net zero emissions" is used. Article 6 of the Paris Climate Agreement provides that the signatory states can cooperate in implementing their national reduction targets. This means that states can, for example, finance climate protection projects in other states and have the emission reductions credited to them. The concrete technical regulations for this mechanism were laid down at the COP26 climate conference in Glasgow.

With these regulations, the climate agreement takes into account the fact that not every economic process can be made completely greenhouse gas neutral and the emissions must be compensated elsewhere. In order to reduce the volume of emissions to be offset as far as possible, the Paris Climate Agreement and the European and national climate protection laws based on it define ambitious reduction targets for the individual sectors.

DekaBank also works according to the principle of avoid before reduce before offset. The aim is to avoid greenhouse gas emissions as far as possible by replacing high-emission activities with emission-free or low-emission activities, such as business trips with video conferences. In the case of emissions that cannot be avoided in principle, emissions are reduced as far as possible through organisational or technical measures, for example by using motion detectors and LED lamps in office buildings. By purchasing 100 percent green electricity, the remaining electricity consumption is covered in a climate-friendly manner. Only the remaining, currently unavoidable GHG emissions will be compensated. This strategy is based on a comprehensive and detailed determination of GHG emissions, which has been carried out at DekaBank since 2009 as part of the ISO 14001-certified environmental management system.

In 2020, DekaBank offset unavoidable GHG emissions for the first time by purchasing emission certificates and decommissioning them. Emissions include, in particular, those that currently cannot (yet) be avoided or reduced technically or at economically justifiable cost, or that arise as part of processes, for which no alternatives have yet been found. The increased use of video conferencing during the Corona pandemic, for example, has shown how even face-to-face meetings with customers and partners can be replaced by technical solutions, contrary to some established opinions, and how emissions can be saved in business transactions.

DekaBank is aware that offsetting GHG emissions through the retirement of emission rights is not without controversy. On the one hand, it therefore consistently ensures that offsetting is only regularly used when the currently possible measures to avoid and reduce emissions have been exhausted. For example, as technical options evolve, the relevant options are regularly reviewed. On the other hand, DekaBank applies high standards to the projects, from which the emission certificates originate. They must not only meet strict quality standards, but also make an active contribution to achieving the United Nations 17 Sustainable Development Goals. This is also ensured by the fact that the projects are primarily implemented in countries of the global South. The corresponding quality of the projects is verified by an independent auditor, who, among other things, ensures the additivity of the projects, carries out a plausibility check for the calculation of the compensated GHG emissions and checks the vesting and unambiguousness of the allocation, which, among other things, prevents the same project share from being sold in parallel to several companies or the project from expiring after a few years. Due to the good successes in avoiding and reducing GHG emissions, only 7,500 tonnes of unavoidable CO<sub>2</sub> emissions had to be offset by retiring emission certificates in the year under review.

In addition, DekaBank decided in 2021, although it is only a tenant of the property, to work with the project development company to offset the 40,000 tonnes of CO<sub>2</sub> emissions generated as part of the new building project at the Frankfurt-Niederrad site. The certificates used came, for example, from a project in Nepal, in which more than 15,000 small biogas plants are built on the plots of land of farming families. This significantly reduces the need for the firewood previously used, which has a negative impact on both the local forests and the health of the families. For example, women in particular are exposed to the smoke produced when cooking with firewood, which irritates eyes and the respiratory tract. The installed dome-shaped plants were developed in Nepal and provide enough energy for each family that has at least two cows or one bull, whose dung is used for the biogas plants.

Based on its own experience, DekaBank developed an offer in the year under review to support the savings banks in reducing and offsetting their emissions. As part of the "Self-commitment of German savings banks for climate-friendly and sustainable business" published in 2020, numerous savings banks have committed to making their business operations CO<sub>2</sub>-neutral by 2035 at the latest – well ahead of the national climate goal of climate neutrality by 2045.

DekaBank offers the savings banks the opportunity to receive support in offsetting their unavoidable GHG emissions via the Deka Easy Access (DEA) information and trading platform. The support specifically relates to the determination of the CO<sub>2</sub> footprint of the respective savings bank and the coverage of the required CO<sub>2</sub> compensation needs by arranging the purchase and retirement of emission certificates that have been verified by DekaBank or the independent auditor. In the context of determining the CO<sub>2</sub> footprint, support includes the use of a CO<sub>2</sub> indication calculator for the initial estimation of the savings bank's CO<sub>2</sub> footprint as well as the application of the CO<sub>2</sub> calculation tool of the Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V., VfU), with which DekaBank is cooperating on this project. The use of the tool is explained to the savings banks in a practical manner as part of a video tutorial.

For the savings banks, the far-reaching support from DekaBank has several concrete advantages: for example, they save themselves extensive research on suitable offsetting projects – all projects proposed by DekaBank have been comprehensively reviewed by an independent party. The legal and administrative burden is also reduced, as DekaBank has already negotiated a framework agreement with all project providers.

The offer to offset CO<sub>2</sub> emissions caused in 2021 has been very well received by the savings banks. At the end of the year under review, more than 115 savings banks had already expressed their interest in using this offer or had already taken first steps. For example, the training courses on using the VfU tool have already been attended by 202 participants.

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### 4. Customers, employees and society

#### 4.1. Sustainable products

One of the main goals of the EU Action Plan for Sustainable Growth – the redirection of private and institutional investors' capital into sustainable investments – can only be achieved if they are offered attractive investment products with high sustainability standards. This also applies to investors who, from the beginning of August 2022 at the latest, must be actively asked in the advisory discussion whether they wish to take sustainability-related criteria into account in their capital investment – a requirement that has already been implemented in the Sparkassen-Finanzgruppe since spring 2021. Against this backdrop, the Deka Group once again significantly expanded its range of sustainable investment options in the year under review, making a significant contribution to ensuring that advisers in the savings banks can offer their customers a wide selection of climate-friendly or sustainable funds, ETFs, certificates and other investments.

##### 4.1.1. Sustainability in capital investment

In the area of investments, a distinction is made between own investments and the investment solutions offered to DekaBank customers. While DekaBank takes its own requirements into account when making its own investments, the specific requirements of individual customer groups and customers must be considered when designing investment products. These increasingly include sustainability-related requirements.

###### 4.1.1.1. Capital investments for own account

The Deka Group's credit risk strategy forms the key basis for the requirements for proprietary investments. Based on the objectives and guidelines set out in the Deka Group's business strategy, including those relating to sustainable corporate governance, it sets the framework for all financing activities. Since July 2014, DekaBank has also used a sustainability filter for new investments in its proprietary investments. Based on the UN Global Compact, this includes a catalogue of exclusion criteria for the environment, human and labour rights and corruption. For each new investment, in addition to the sustainability check already carried out centrally as part of the limit facilities and renewals, the issuers are checked against comprehensive criteria of the sustainability filter for proprietary investments. In particular, proprietary investments in companies are excluded that

- generate a revenue share of more than 30 percent from coal production and/or more than 40 percent from coal-fired power generation,
- violate internationally recognised principles in the field of human and labour rights (ILO Declaration on Fundamental Principles and Rights at Work) and/or

- produce controversial weapons<sup>18</sup>.

For details SEE CHAPTER 4.1.2., where the complete negative list is given.

Issuers of securities that violate one or more of these exclusion criteria are excluded from new investments. As on 31 December 2021, 100 percent of proprietary investments in securities with a nominal volume of around 8.7 billion euros (2020: 9.9 billion euros)<sup>19</sup> as well as 0.8 billion euros in special funds (**CHAPTER 4.1.2.1.1. Sustainable investment volume**) were managed using the criteria of the proprietary investment filter.

##### Deka Treasury Compass

With the Deka Treasury Compass, DekaBank also offers the savings banks the opportunity to carry out a detailed sustainability check for their proprietary investments, which is also based on the criteria of the UN Global Compact. In 2021, 230 savings banks had a sustainability analysis carried out for their direct portfolios based on the Deka Treasury Compass. As a result, 99 percent of the assessable investment volume of the savings banks met the sustainability criteria.

##### Deka Easy Access

With the Deka Easy Access treasury platform, DekaBank already supports more than 300 institutions in taking sustainability criteria into account in their capital investments. In cooperation with the rating agency V.E (formerly Vigeo Eiris), information is provided for around 1,000 issuers on, among other things, possible breaches of the principles of the UN Global Compact by issuers and the overall quality of sustainability management. In addition, an ESG Score was introduced to enable institutions to manage their portfolios on a granular basis

<sup>18</sup> Controversial weapons are weapon systems that have indiscriminate effects, cause excessive suffering and have devastating effects on the civilian population and are therefore considered unacceptable by the international community.

<sup>19</sup> without S Broker AG & Co. KG

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and to improve the comparability of issuers. This offering is supplemented by the Deka Research Hub, which provides comprehensive analyses of issuers of mortgage bonds and other securities.

### 4.1.1.2. Investment products

#### 4.1.1.2.1. Capital market-based investment products

##### 4.1.1.2.1.1. Funds and other capital market-based investment solutions

Deka Investment GmbH added sustainability aspects to the classic triangle of investment – return, risk and liquidity – several years ago and defined sustainability standards for funds it manages, irrespective of a sustainability-related orientation. For example, the funds managed by Deka Investment GmbH do not invest in companies that produce controversial weapons such as anti-personnel mines or cluster munitions ("cluster bombs"). The mutual funds managed by Deka Investment GmbH also exclude manufacturers of small arms and companies significantly involved in the coal sector from investment. In addition, the Deka Group does not issue any products that directly track the price development of basic foodstuffs.

#### Deka Sustainability Fund

The Deka Group offers investors a wide range of sustainability-related funds, Exchange Traded Funds (ETFs) and certificates, which was expanded again in the year under review. For example, the Deka-Sustainability Dynamic fund was newly launched in the year under review, while the existing Deka-StrategieInvest fund was converted to a sustainable fund concept and renamed Deka-Sustainability StrategieInvest. Since 2021, the sustainable product range has also included the funds of the Deka-Sustainability shares family, which were merged from several originally non-sustainable portfolio funds to form three products, each with a regional focus. With the North America, Europe and Germany regions, Deka Investment GmbH is offering actively managed sustainability funds that invest specifically in regional target markets for the first time. The mixed fund series "Deka ESG Sigma Plus" was already launched at the end of December 2020, which can reflect various investor interests with the characteristics "Conservative", "Balanced" and "Dynamic".

Finally, the "Deka-Sustainability" fund family also includes the Deka-Sustainability Shares, Deka-Sustainability Pension and Deka-Sustainability Balance funds, some of which were launched several years ago, and the Deka-Sustainability ManagerSelect umbrella fund, which was supplemented this year by the Deka-Sustainability ManagerSelect offensiv variant with a higher equity quota. The fund family thus offers investors a broad selection of equity, bond or mixed fund portfolios, with which they can invest in investment solutions that meet the special criteria of a sustainable investment. The two funds

Deka-Foundations Balance and Deka-Churches Balance are also aimed at institutional investors.

An up-to-date overview of the continuously growing range of sustainability-related investment solutions can be found on the following websites:

- [deka.de/privatkunden/nachhaltigkeitsfonds](https://deka.de/privatkunden/nachhaltigkeitsfonds)
- [iqam.com/en/funds/sustainability](https://iqam.com/en/funds/sustainability)
- [deka.de/privatkunden/immobilienfonds](https://deka.de/privatkunden/immobilienfonds)
- [deka.de/privatkunden/fonds-und-zertifikate/deka-etfs](https://deka.de/privatkunden/fonds-und-zertifikate/deka-etfs)
- [deka.de/privatkunden/fonds-und-zertifikate/vermogensverwaltende-fonds](https://deka.de/privatkunden/fonds-und-zertifikate/vermogensverwaltende-fonds)

Sustainable securities investments are possible in the DekaBank custody account from as little as Euro 25 per month. In addition to the funds in the Deka-Sustainability shares family, seven other funds are now suitable for investing capital-forming benefits, including Deka-Sustainability Impact Shares or the Deka-BasisAnlage offensiv umbrella fund.

#### Sustainability awards for the Deka-Sustainability Impact Shares fund

After the Deka-Sustainability Impact Shares fund was already awarded the "Sustainable Award in Finance" in 2020 for its environmental and social impact, the German Institute for Service Quality named the fund "Financial Product of the Year" in the year under review. The fund also received the top rating of five stars in the sustainability study conducted by the business magazine Capital in cooperation with the Institute for Wealth Creation (Institut für Vermögensaufbau) and the financial services provider Tetralog. The Deka-Sustainability Shares and Deka Portfolio Sustainability Global Shares funds also received top marks in the study.

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### Sustainable ETFs

Back at the end of 2015, Deka Investment GmbH launched the Deka Oekom Euro Sustainability UCITS ETF index fund for institutional investors in cooperation with the sustainability rating agency ISS ESG (formerly: oekom research). In the year under review, the ETF was awarded first place in the category "ETF Europe, SRI 5, 12 months" with the Sustainable Performance Award 2021. The categories differentiate the products according to asset classes (e.g. ETF, equity or bond funds), regional focus points (e.g. Europe or World), risk class (Summary Risk Indicator (SRI); 2-6) and observation period (e.g. 12 months or 60 months).

Deka Investment expanded its range of ETFs in 2020 with the launch of the Deka Climate Change ETF product family. With the regions Germany, Eurozone, Europe, USA and World, the most important global equity markets were covered. MSCI's index concept aims to consider the opportunities and risks of companies in relation to climate change. In doing so, the requirements for EU Climate Transition Benchmarks (EU CTBs) are met. This pursues the goal of significantly reducing the CO<sub>2</sub> emission intensity of the portfolio in contrast to a market-wide index. The Deka MSCI USA Climate Change ESG UCITS ETF was awarded second place in the category "ETF North America, SRI 3-5, 12 months" at the Sustainable Performance Awards 2021.

Also in 2020, one of the blue-chip ETFs, the Deka EURO STOXX 50® (accumulating) UCITS ETF, was converted to sustainability criteria, so that the EURO STOXX 50® ESG Index has been tracked since then. The index takes into account key exclusion criteria and replaces excluded companies with more sustainable competitors. It thus achieves a return-risk profile that is very close to the conventional EURO STOXX 50.

At the beginning of the year under review, the Climate Change ETF product range was expanded to include Japan as an investment region through the conversion of the Deka MSCI Japan MC UCITS ETF. In addition, a bond fund was launched at the end of 2021, expanding the Climate Change ETF range in the corporate bond segment. The Deka MSCI EUR Corporates Climate Change ESG UCITS ETF completes the product family by aiming for a broadly diversified portfolio with a significant reduction in CO<sub>2</sub> emissions intensity.

### Sustainable certificates

DekaBank has been offering sustainable structured products and certificates for private customers since 2019. In order to classify the sustainability of a specific certificate, two levels currently have to be considered: Firstly, the issuer, i. e. DekaBank, and secondly the underlying asset, e.g. an index or an individual company. Consideration of the issuer is necessary, as certificates are bearer bonds of the issuer that serve to refinance it. With regard to the sustainability of the issuer, the sustainability

rating agencies attest DekaBank a very high level, even in a sector comparison. **CF. CHAPTER 5.7.**

### Scope again confirms DekaBank's top rating of "AAA" in its certificate management rating

DekaBank's range of certificates once again performed convincingly in the fifth certificate management rating by the Scope rating agency, achieving the top rating of "AAA". The categories assessed were company profile, market position, product range and client services (sales and investor services). Scope particularly highlighted the expansion of the product range of sustainable investment products in the certificates business as well as the central cross-bank communication on the topic of sustainable products.

DekaBank's range of sustainable certificates includes green bonds for private customers in addition to classic fixed-interest and stepped-interest bonds as well as certificates and credit-worthiness-dependent bonds with sustainable companies or sustainable share indices as the base value. An impact and allocation report was published for the first time in October 2021 for these "fixed-interest/stepped-interest bonds Green Bond". **CF. BACKGROUND BOX ON IMPACT & ALLOCATION REPORTING**

DekaBank expanded its range of sustainability indices, which serve as the base value for certificates, in line with demand in 2021. Together with the index provider MSCI, two further indices were developed on the basis of the existing global sustainability index, which relate to the investment regions of the Eurozone and Germany and follow the identical index concept. All three sustainability indices are currently only available to DekaBank customers. Sustainable certificates on these indices have established themselves as an innovative investment idea within a very short time and represent an attractive investment opportunity for many savings banks and end customers. In this context, DekaBank has also developed certificates that refer to one of these sustainability indices as the base value and for which the corresponding Deka Sustainability ETF is delivered in the event of a loss – instead of the usual cash settlement. Analogous to certificates on shares, this variant makes it possible to bridge temporary price declines, to remain sustainably invested and to participate again in possible future price increases. This variant is currently unique in the German certificate market.

As on 31 December 2021, 55 percent of the outstanding certificates for private customers were classified as sustainable (4,755 out of 8,582 certificates). Of these, 28 certificates belong to the "ESG Impact" category (fixed-interest/stepped-interest Green Bond).

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### Background: DekaBank publishes Impact & Allocation Reporting

The issuance of green bonds to finance climate and environment-related investments has become increasingly important in recent years. According to calculations by the non-profit Climate Bond Initiative, the global issuance volume reached a new record level in 2021 with a total of more than 450 billion US dollars.

As a prerequisite for issuing green bonds, DekaBank developed its own Green Bond Framework in 2020. It is based on the current version of the Green Bond Principles of the International Capital Markets Association (ICMA) and defines, among other things, the projects, for which the funds raised via green bonds are to be used and the process for project evaluation and selection. The framework provides for the funds to be used in the areas of "renewable energies" and "green buildings". The sustainability rating agency Sustainalytics has formally confirmed the compliance of the framework with the requirements of the Green Bond Principles in a Second Party Opinion.

In the year under review, DekaBank published its first "Impact & Allocation Reporting". Among other things, the report provides information on the use of funds generated by certificates issued under the Green Bond Framework and the resulting CO<sub>2</sub> savings. With the Impact and Allocation Reporting, which must be updated annually, DekaBank meets the requirement for corresponding reporting. This was confirmed by the sustainability agency Sustainalytics. The framework and the Second Party Opinion are published on the Deka website, as are the Impact and Allocation Reporting and the Annual Review.

### Sustainable asset management and asset management funds

The offering in the asset management segment includes various sustainable mandate solutions that differ in terms of their risk profile. In the area of asset management funds, Deka Vermögensmanagement GmbH offers investors Deka-BasisAnlage, for example, a sustainable investment strategy that is available in five different risk profiles ranging from conservative to offensive. The sustainable product range is rounded off by the Deka-Sustainability ManagerSelect fund, which implements a balanced portfolio of 50 percent equity funds and 50 percent bond funds and currently selects the best-quality sustainable fund managers in eight sub-asset classes in the view of Deka Vermögensmanagement GmbH.

The Deka-Sustainability ManagerSelect offensive fund was launched at the beginning of 2021. This is closely based on the

Deka Sustainability ManagerSelect fund, but has a more offensive positioning with a higher equity fund quota. Both Deka-BasisAnlage and the Deka-Sustainability ManagerSelect family have signed the European Transparency Code for sustainability funds and have been awarded the transparency logo of the European industry association Eurosif.

In the area of individual asset management, "Deka-Vermögensverwaltung Premium", the demand for sustainably managed variants remained high in the year under review. In around every second newly concluded mandate, customers attached importance to a sustainable investment approach.

Deka Vermögensmanagement GmbH's product range also includes various sustainable fund concepts offered in individual savings banks, e.g. the Hamburger Nachhaltigkeitsfonds – Best in Progress of Hamburger Sparkasse or the Rheinischer Kirchenfonds of Sparkasse KölnBonn. There were further product launches or adjustments here in the year under review, which led to a significant increase in assets under management in this segment.

### IQAM Invest – the quant boutique from Austria

A new addition to the Deka Group is the Austrian fund manufacturer IQAM Invest, which has been operating since 1988 and focuses on quantitative asset management. IQAM Invest stands out for its customised investment funds for institutional investors. The consistent consideration of sustainability criteria takes place in the individual and innovative IQAM solutions according to the customer's wishes. IQAM Invest obtains the sustainability research for implementation from two renowned agencies. IQAM Invest has applied the company-wide principles on controversial weapons, coal and basic foodstuffs since joining the Deka Group.

The in-house range of retail funds currently comprises 15 products with varying degrees of sustainability methodology, including funds that have been awarded the Austrian Eco-label for sustainable financial products. Through these funds, investors invest in the companies of the investment universe that act responsibly under ESG aspects and at the same time comply with the quantitative IQAM approach. Among other things, the strict exclusion of fossil fuels, systematic labour and human rights violations or the lack of targets and measures by states for the reduction of greenhouse gases and the protection of species are taken into account. An overview of the criteria is published on the website [www.iqam.com](http://www.iqam.com) in the Download area under "SRI".

Since 2005, IQAM Invest has been using the possibility of integrating sustainability aspects into its proxy voting and into the dialogue with issuers within the framework of an overlay together with a specialised expert.

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### Bevestor – the Deka Group's robo-advisor solution

The Deka Group's robo-advisor solution, bevestor, provides private customers with a digital investment solution in addition to qualified and holistic securities advice at the branch. As part of the "Select" investment concept, customers can invest with the "Select Nachhaltigkeit" variant, taking into account environmental, social and ethical aspects. Five globally diversified fund portfolios with different risk/return characteristics are available for this purpose. In addition, it is possible to add up to three investment themes such as climate change, new energy or water to the selected portfolio.

The invested money is invested automatically according to a scientifically sound investment concept and managed by Deka Vermögensmanagement GmbH as part of the professional asset management. Investors can already invest directly with an investment amount of 25 euros per month or a one-time investment of 1,000 euros.

#### Top marks for the bevestor

The work of the Deka Group's "bevestor" robo-advisor regularly receives top marks in external analyses and ratings. In the year under review, for example, bevestor received the quality rating "highest mark" in a rating by the business magazine Capital in its 12/2021 issue and was awarded five out of a possible five stars. In addition, bevestor was again named "Top Robo-Advisor for Sustainable Investment" by the business magazine Capital in the year under review.

In cooperation with the Cologne-based rating and ranking agency ServiceValue, the financial magazine Focus-Money conducted its first "Rising Star of the Year" study in its 12/2021 issue. In this study, more than 22,300 consumer opinions were obtained on 220 companies from 20 sectors. The survey asked which providers had recently attracted particular attention with their offers and services or due to a growing level of awareness. Here, the Deka Group's robo-advisor received the "Highest Recognition" award from consumers.

### S Broker – the online broker of the Sparkassen-Finanzgruppe

S Broker AG & Co. KG is the central online broker of the Sparkassen-Finanzgruppe and offers its customers – private investors and savings banks – the opportunity to maintain an online securities account and trade in securities. In order to make it easier for customers to search for sustainable investment products, S Broker has set up its own landing page with a selection of numerous available sustainability products from the fund and ETF sector as well as selected sustainable subscription

products. In 2021, the portfolio of these products at S Broker has increased by 90 percent compared to 2020. The products offered on the landing page, as well as many other sustainable investment products, can be purchased from S Broker in on-exchange or off-exchange trading. For various products, it is also possible to set up a savings plan.

### Individual solutions for institutional customers

Deka Investment GmbH offers institutional investors individual investment solutions that take comprehensive account of the relevant sustainability-related requirements, such as specific exclusion criteria. In implementing these individual strategies, Deka Investment GmbH uses data from renowned sustainability rating agencies, currently primarily MSCI ESG and V.E (formerly Vigeo Eiris), which provide information on the sustainability performance of individual issuers as well as on possible breaches of the respective defined exclusion criteria by these issuers.

Approaches to measuring the sustainability-related impact of capital investments are attracting significantly growing interest, particularly among institutional investors. For this purpose, Deka Investment GmbH offers analyses for the ESG assessment of a portfolio, its carbon footprint and the influence of the invested companies on the achievement of the United Nations Sustainable Development Goals (SDGs), among other things, based on data from specialised data providers.

### Sustainable investment volume

In the private customer segment, Deka Investment GmbH managed a total of around Euro 19.6 billion in sustainable products as of the end of 2021 (2020: Euro 7.4 billion), a 165 percent increase as compared to the same time in the previous year. Around Euro 15.6 billion of this is attributable to products classified under Article 8 of the Disclosure Regulation (SFDR)<sup>20</sup>, with the remainder of just under Euro 3.9 billion attributable to Article 9 products<sup>21</sup>. Also, to be taken into account here are Euro 11.0 billion managed sustainably as part of Deka Vermögensmanagement and a further Euro 1.2 billion managed by IQAM Invest. For institutional customers, the volume of sustainable investments amounted to Euro 14.9 billion as on 31 December 2021 (2020: Euro 7.1 billion).

Starting from 44 sustainable mutual funds at the beginning of the year, their number was almost doubled within one calendar year. Including the funds managed by IQAM Invest, the offering currently comprises a total of 79 mutual funds. The increase in institutional mandates was even more pronounced: Here, Deka Investment GmbH managed 92 special funds at the end of the year, including two products from IQAM Invest. Compared to the situation at the end of 2020 (35 special

<sup>20</sup> Sustainable Finance Disclosure Regulation

<sup>21</sup> The definitions and content of the products declared here as "green" or "sustainable" may differ from those in Articles 8 and 9 SFDR (Sustainable Finance Disclosure Regulation - Offenlegungsverordnung 2019/2088, which came into force on 10

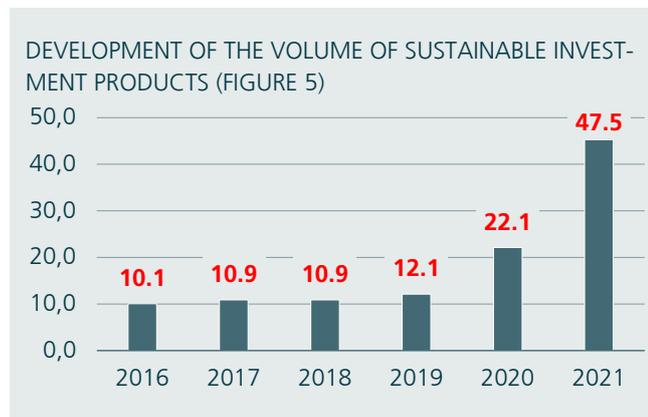
March 2021) and those in EU Taxonomy Regulation 2020/852 of 22 June 2020. However, as far as possible, the Deka Group as a whole is guided by the aforementioned regulatory definition criteria applicable to the reporting period.

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funds), the number of corresponding mandates has thus increased by around 160 percent.

In total, the volume of sustainable investment products at the Deka Group thus amounts to Euro 46.7 billion (2020: Euro 21.3 billion). The share of sustainable securities funds in total assets under management in the Securities division was around 14.6 percent at the end of 2021 (2020: 7.9 percent).<sup>22,23</sup>

If one adds the approximately Euro 0.8 billion of proprietary investments in special funds (incl. S Broker AG & Co. KG), which are managed using the criteria of the proprietary investment filter, this results in a total volume of sustainably managed investments of approximately Euro 47.5 billion (2020: Euro 22.1 billion). **CF. FIGURE 5**



If one also takes into account the Euro 8.7 billion (2020: Euro 9.9 billion) of capital investments for own account and the investment of fund liquidity of the mutual and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH amounting to Euro 5.8 billion (2020: Euro 5.7 billion), which are managed using sustainability criteria, the total volume of sustainably managed investments in the Deka Group is around Euro 62.0 billion (2020: Euro 37.7 billion). This corresponds to a 13.4 percent share of all assets in funds with sustainability features in Germany of EUR 463 billion as calculated by the German Investment Funds Association (Bundesverband Investment und Asset Management, BVI).

### ESG integration into the investment process

The Deka Group is convinced that taking ESG criteria into account improves investment decisions in the long term, as they meaningfully complement the assessment of the opportunities and risks of capital investments. Beyond its specific range of sustainable investment solutions, Deka Investment GmbH therefore works continuously to integrate sustainability criteria into its investment process as a matter of principle. In this way,

Deka Investment GmbH not only sharpens the risk/return profile of the portfolios it manages, but also meets the increasing regulatory requirements to take ESG criteria into account.

In this context, further information and data on sustainability aspects for all asset classes were integrated into the in-house research platform in the year under review and thus made available to all decision-makers. The platform combines external data with internal analyses and is supplemented with relevant findings from discussions with company representatives. At the same time, the responsible specialist department increasingly uses company and sector-related sustainability analyses from external sustainability experts.

In addition to the data provided by external providers, the ESG experts at Deka Investment GmbH set up a proprietary data model in the year under review to further advance the ESG integration. The "risk level model" makes it possible to classify companies in terms of potential controversies on the basis of a scale from A to F. Both information provided by ESG data providers and controversies that have come to light in the course of engagements, for example direct company contacts, are taken up and evaluated and classified by the sustainability experts. The classification determines whether a company remains investable or is excluded from the investment. Companies classified in level F, for example, are not investable for all products of Deka Investment GmbH, Deka International S.A. and Deka Vermögensmanagement GmbH – regardless of whether a product is classified as sustainable or not. Due to these far-reaching consequences of the classification with E or F, a team of experts, the Non-Financial Risk Committee, regularly advises – in particularly urgent cases also ad-hoc – to verify the corresponding classification of the issuers and to release it on a case-by-case basis.

In addition to any controversies, the sustainability analysis also takes into account whether issuers generate revenue shares via business areas assessed as critical, do not comply with international standards or whether states do not respect democratic principles. The majority of the sustainable mutual funds of Deka Investment GmbH and Deka International S.A. use a standard set of exclusion criteria, which are presented in the annually published transparency statements in accordance with Eurosif. **CF. CHAPTER 4.1.1.2.1.4.**

The universe adjusted for the excluded issuers and those classified as controversial within the risk level model is made available to the portfolio managers as an investable universe. Together with the research analysts specialised in ESG criteria, they are responsible for effective ESG integration into the investment process. In addition to the technical requirements, such as access to ESG databases, in order to also continuously develop the corresponding competencies of the employees, all portfolio managers and analysts at Deka Investment GmbH

<sup>22</sup> Recalculation on the basis of total assets for the GF Securities as of 2020.

<sup>23</sup> without S Broker AG & Co. KG

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and Deka Vermögensmanagement GmbH have been receiving training on sustainability since 2019 as part of the internal "ESG Academy". The modular seminars cover topics such as new regulatory requirements and current trends in the sustainable capital market.

Deka Investment GmbH and Deka Vermögensmanagement GmbH have also integrated specific sustainability criteria for investing in target funds into their investment process and are constantly working to further advance ESG integration. For this purpose, external sustainability analyses, ESG questionnaires and publicly available ESG information are used and evaluated by analysts.

### 4.1.1.2.1.2. Corporate dialogue and exercise of voting rights

Direct dialogue with the companies, whose shares and bonds an investor holds, and exercising the voting and speaking rights associated with shares at annual general meetings (AGMs), are increasingly important tools for sustainable capital investment. Deka Investment GmbH uses voting and engagement to protect the value of its investments and support sustainable development in companies.

#### Direct company contacts

In the reporting period, analysts and fund managers at Deka Investment GmbH had more than 1,600 contacts with companies. Depending on the industry and business model of the respective company, social and environmental aspects of business activity were regularly addressed in addition to corporate governance issues. This concerned around 16 percent of the companies represented in investment funds.

As a trustee for investors, Deka Investment GmbH is interested in the long-term success of the companies, in which it invests. The engagement approach, which it sees as a long-term investment approach, can make a contribution to increasing the value of the investments. In doing so, Deka Investment GmbH also deliberately remains invested in companies with critical business activities and tries to use its influence as an active shareholder to encourage these companies to operate more sustainably and responsibly.

In the year under review, activities focused on the reduction of CO<sub>2</sub> emissions and compliance with the core labour standards of the International Labour Organisation (ILO) within the company itself and in the supply chain. For example, Deka Investment GmbH expects companies to create comprehensive transparency about their climate strategy for achieving the EU climate goals and about important milestones in this strategy.

In cases, where the analysts come across deficits in dealing with the principles of sustainable development or the afore-

mentioned principles and goals as part of the company analyses, these are addressed in direct contact with the companies. Where appropriate, Deka Investment GmbH joins forces with other investors, for example within the framework of the Principles for Responsible Investment (PRI). If the deficits are not remedied by the company, the company can be excluded from the investment universe as a last resort. This exclusion may apply not only to specific sustainability products, but in principle to all relevant investment products of Deka Investment GmbH.

#### Exercise of voting rights

The year under review was also marked in the area of AGMs by the restrictions imposed by the Corona pandemic. Throughout 2021, AGMs were only held virtually. As a result, representatives of Deka Investment GmbH were only able to speak in person in isolated video messages during the year under review. At 28 virtual AGMs, Deka Investment GmbH conveyed its position and questions about the companies in advance of the AGMs.

Deka Investment GmbH actively voted on a total of 5,226 agenda items (+8 percent) at 419 AGMs in 2021 (+17 percent as compared to 2020). In around 23 percent of cases, it voted against the proposed resolutions. Deka Investment GmbH does not limit the exercise of voting rights to Germany, but exercises shareholder rights at AGMs worldwide.

Deka Investment GmbH has set out key points for its voting behaviour in its "Principles of Voting Policy at Annual General Meetings", which are also published on the website, as is an overview of the Annual General Meetings, at which Deka Investment GmbH voted in 2021. The principles are based on Deka Investment GmbH's extensive experience as one of the major fund providers and therefore shareholder representative. The principles take into account applicable laws, the current analysis guidelines for AGMs of BVI, the German Corporate Governance Code, the DVFA Scorecard for Corporate Governance, international codes, relevant environmental and social standards and the requirements of the PRI. The principles stipulate, among other things, that Deka Investment GmbH reserves the right to vote against the approval of the actions of the Board of Management or the Supervisory Board on a case-by-case basis if there are violations of environmental, social and corporate governance (ESG) issues.

In the year under review, Deka Investment GmbH once again sharpened the principles for its voting policy. The changes made relate, among other things, to the expansion and further detailing of the sustainability-related requirements, particularly with regard to the international standards that are applied. Here, the principles were expanded to the effect that these standards must also be complied with in the supply chain. In addition, the requirements for diversity in the management of the companies were specified. Here, Deka Investment GmbH

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applies high standards not only to the companies that are legally obliged to do so, but also includes all other companies in Germany, Western Europe and the USA.

As in previous years, Deka Investment GmbH published its current Engagement Policy in 2021, which explains the approach and procedure for active dialogue with companies and the exercise of voting rights. In the year under review, the results of the engagement were also published for the first time in an Engagement Report, which, like the Engagement Policy, is published on the website ([deka.de/privatkunden/ueberuns](https://deka.de/privatkunden/ueberuns)).

### Implementation of the transparency obligations under the Second Shareholders' Rights Directive

The implementation of the Second Shareholders' Rights Directive (ARUG II) entails increased transparency obligations for institutional investors, asset managers and proxy advisors. For example, institutional investors and asset managers must publish a so-called participation policy, in which they describe their participation in the portfolio companies (Section 134b AktG) or explain why they do not do so. Further disclosure obligations are intended to ensure that the interests of the final beneficiaries, for example the investors, are taken into account in the implementation of the investment strategy (section 134c AktG). To this end, disclosures on the consistency between investment strategy and long-term investment interests must be made.

In this context, Deka Investment GmbH has developed various publications and published them on its website. In addition to the participation policy, these include a Stewardship Code, which sets out how Deka Investment GmbH understands and implements stewardship. Stewardship is basically the fiduciary duty of care on the part of asset managers, who are given the responsibility to act in the interests of the assets they hold in trust or the final beneficiaries behind them. Deka Investment GmbH bases its Stewardship Code on the stewardship guidelines of the German Association for Financial Analysis and Asset Management (Deutsche Vereinigung für Finanzanalyse und Asset Management, DVFA), which are based on the statutory requirements of equity and investment law and recognised industry standards.

To assist institutional investors and asset managers in fulfilling their disclosure obligations pursuant to Section 134c (1) and (2) of the German Stock Corporation Act (Aktiengesetz, AktG), Deka Investment GmbH, as the capital management company, provides a document containing information on the funds it manages. This document is intended to assist investors in fulfilling their disclosure obligations pursuant to Section 134c (1) to (3) AktG. Deka Investment GmbH has published a corresponding document on its website to fulfil the asset manager's disclosure obligations pursuant to Section 134c (4) AktG.

### 4.1.1.2.1.3. Memberships

#### International initiatives

In 2020, DekaBank joined the Principles for Responsible Investment (PRI), the world's largest initiative by institutional investors and asset managers to promote sustainable capital investment, as an asset owner, thereby creating the conditions for the asset management companies Deka Vermögensmanagement GmbH, Deka International S.A., Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH to join. Now that Deka Investment GmbH and the new fund subsidiary IQAM Invest have already been supporting the PRI since 2012, all the main companies in the Deka Group have committed to implementing the six principles for responsible investment. In the year under review, for organisational reasons, the PRI office did not evaluate the PRI Progress Reports to be submitted by the signatories, which means that they cannot be published on the PRI website.

#### Joining the Net Zero Asset Management Initiative (NZAM)

On 1 October 2021, Deka Investment GmbH and Deka Vermögensmanagement GmbH joined the Net Zero Asset Management Initiative (NZAM), which was established in December 2020. As part of this international alliance, the participating asset managers commit to supporting the achievement of "net zero greenhouse gas emissions" by 2050 at the latest in the context of their activities in order to limit the increase in average global temperature to 1.5 °C compared to the pre-industrial era, in line with the Paris climate goals. To achieve this goal, the signatories commit to aligning their portfolios accordingly within the framework of strategic and tactical asset allocation and to defining interim targets for the reduction of GHG emissions associated with the portfolios as early as 2030. By joining the NZAM, Deka Investment GmbH and Deka Vermögensmanagement GmbH have also committed to prioritising the achievement of emissions reductions in the real economy, taking into account material Scope 3 emissions of the portfolios, creating investment products that are geared towards greenhouse gas neutrality and enabling increased investments in climate solutions. At the end of the year under review, around 220 asset managers with total assets under management of over 57 trillion US dollars had joined the initiative.

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As part of its PRI membership, Deka Investment GmbH also participates in joint engagement initiatives with other global investors, as mentioned above. In the year under review, it continued to support an engagement campaign on the topic of cobalt and human rights. It engaged with German automotive and telecommunications companies on how to effectively improve human rights standards in the mining of cobalt and other conflict minerals.

Deka Investment GmbH has also joined the UK Farm Animal Investment Risk & Return (FAIRR) initiative. This collects data on the sustainability standards of companies involved in factory farming and industrial agriculture.

Since November 2016, DekaBank has been a member of ICMA's Green & Social Bond Principles, which serve as the authoritative international framework for the issuing process of green and social securities. At the same time, the annual Green & Social Bond Principles conference is one of the most important international platforms in the area of sustainable bonds. The updated version of the Principles for the Issuance of Green, Social and Sustainability Bonds (GSS) and an updated version of the Sustainability-Linked Bond Principles were published at the 2021 conference, which was held virtually. Among other things, the recommendation for issuers to show as transparently as possible to what extent the projects selected for the bonds meet the requirements of the EU taxonomy and to show how ESG risks are concretely identified and managed was newly anchored.

DekaBank has also been a partner of the Climate Bonds Initiative (CBI) since the end of 2018. The initiative has set itself the goal of integrating the international bond market more closely into the financing of climate protection and, in particular, supporting the further development of the market for green and climate bonds. In cooperation with the CBI, DekaBank has already held various customer events on green bonds and developments in the sustainable finance market and supported a study on the German sustainable finance market. In 2021, DekaBank sponsored the CBI study "Sustainable Debt – Global State of the Market 2020", which was presented to around 340 investors and market participants as part of a webinar in April of the year under review and subsequently met with great interest, with around 3,000 downloads.

### National Initiatives

The Green and Sustainable Finance Cluster Germany (GSFCG), which emerged from the merger of the Green Finance Cluster of the Hessian Ministry of Economics and the Accelerating Sustainable Finance Initiative, has been active since 2018. The aim of the cluster is to position itself as a competence and dialogue platform of the financial sector for achieving the German climate and sustainability goals. The Deka Group is a sponsor and represented on the cluster's Standing Committee.

### DekaBank supports numerous green bond issues

In the year under review, DekaBank again acted as lead manager in the placement of numerous sustainable bonds and once again significantly expanded its involvement in this area compared with previous years. Highlights included supporting the issue of the sustainability bond of the state of North Rhine-Westphalia as a dual tranche with a total volume of Euro 3.5 billion and the Climate Awareness Bond issued by the European Investment Bank, which was marketed exclusively in the Sparkassen-Finanzgruppe in recognition of the savings banks' commitment to sustainable and climate-friendly business practices. Having acted as lead manager for NRW.Bank's first social bond in 2020, DekaBank was one of three lead managers for the development bank's second social bond in the year under review. In addition, DekaBank actively supported the green and social issues of several issuers, including the first Social Covered Bond issue from Austria by Hypo Bank Tirol, the first Green Covered Bond by Oberbank and the first Green Senior Bond by Deutsche Pfandbriefbank. In the placement of the sustainable bonds, the majority of the issue volume went to sustainable investors.

The Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V., VfU) is one of the pioneers in anchoring sustainability aspects in the financial market, in which DekaBank has been involved since 2007. DekaBank is also a member of the Forum for Sustainable Investments (Forum Nachhaltige Geldanlagen e. V., FNG), to whose Board Marianne Ullrich, Head of the ESG Client Solutions team at Deka Investment GmbH, was elected in October 2021, as well as the Corporate Responsibility Interface Center e. V. (CRIC). With its more than 100 members, CRIC promotes a constructive dialogue between companies, politicians and financial market players to raise general awareness of ethical and sustainable investments.

In addition, the Deka Group is active in various industry initiatives and associations in order to exchange views with other players on sustainability-related issues and to develop joint approaches to solutions. A complete list is published on the website ([deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/in-der-unternehmensfuehrung/wirtschaftsmenschenrechte](https://deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/in-der-unternehmensfuehrung/wirtschaftsmenschenrechte)).

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### Securities knowledge gaps

Almost 62 percent of the more than 4,800 German citizens surveyed as part of the DSGVO Wealth Barometer 2021 gave themselves a grade between 4 (sufficient) and 6 (insufficient) for securities knowledge, while around 32 percent rated their knowledge as very good (1) to satisfactory (3). The grades are somewhat better among 14- to 29-year-olds. Here, the share of respondents who give themselves a very good to satisfactory knowledge rating is 43 percent. Overall, the self-assessment of the question about "financial knowledge in general" is a good deal better. Here, around two-thirds of respondents (65 percent) gave themselves a grade between 1 and 3. Among 14- to 29-year-olds, the proportion of 63 percent is slightly below the average for all respondents. For DekaBank, the figures on securities knowledge are of particular importance in view of its own range of services. They underline the importance of the measures, with which DekaBank contributes to the dissemination and deepening of financial and securities knowledge. **CF. BACKGROUND SUSTAINABILITY IN CUSTOMER ADVISORY SERVICES**

#### 4.1.1.2.1.4. Investor information and promoting the dissemination of financial knowledge

As the Wertpapierhaus for the savings banks, the Deka Group supports its partners not only with a comprehensive and continuously expanding product range, but also in providing information to savings bank customers. It has therefore formulated strict principles for all documents made available to private customers. The "Guidelines for the Preparation of Advertising and Investor Information" prohibit, among other things, aggressive marketing and the exploitation of particularly vulnerable customer groups, such as elderly people. Private customers also include customers from the municipal sector in this context.

The transparency declarations for sustainable funds used by the companies of the Deka Group for their sustainability funds serve to inform investors. For example, numerous sustainability funds bear the transparency logo of the European industry association Eurosif. In this context, Deka Investment GmbH has voluntarily committed to publishing accurate, appropriate and up-to-date information, in particular to enable investors to assess a fund's ESG strategy and its implementation.

S Broker employees conduct 70 webinars per year, in which customers and other interested parties can acquire basic and expert knowledge about capital investment live and free of charge. On average, 115 participants follow the broadcasts. Furthermore, in addition to its YouTube activities, S Broker also offers podcasts on current topics. In the year under review, 80

new videos were uploaded to YouTube. Finally, the range of information includes the podcast "Mikro trifft Makro" (Micro meets Macro), in which Deka Chief Economist Dr. Ulrich Kater and host Dirk Huesmann talk every fortnight both about current events in the financial markets and shed light on the background of market events as well as fundamental market mechanisms and correlations.

### Additional transparency through the implementation of the Disclosure Regulation

Through the implementation of the regulatory requirements from the Disclosure Regulation (Regulation (EU) 2019/2088) as of 10 March 2021, transparency in dealing with sustainability in investment decisions as well as in the remuneration policy could be increased. The Disclosure Regulation specifies the extent to which and the media through which corresponding information is to be provided. This includes, for example, pre-contractual information, e.g. sales prospectuses, regular reports, e.g. the annual reports of sustainable funds, and DekaBank's website. Special transparency obligations are defined for products that advertise environmental or social features (Art. 8 of the Disclosure Regulation) or seek sustainable investments (Art. 9).

#### 4.1.1.2.2. Real estate-based investment products

##### 4.1.1.2.2.1. Product range

### Sustainability strategy in the Real Estate Asset Management business area

Following the adoption of the new sustainability strategy for the Real Estate Asset Management (AMI) business area in 2020, the focus in the year under review was on implementing the measures defined within the framework of the strategy. The focus was on the expansion of the sustainable product range, the further development of a comprehensive data basis for the evaluation, the advancement of the sustainability quality of the properties and funds, and the expansion of risk management and controlling to include sustainability risks.

### Sustainability filter for fund liquidity

The AMI business area uses a sustainability filter for the fund liquidity of all mutual funds and parts of the special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH. Like the sustainability filter for DekaBank's proprietary investments, it is based on the principles of the UN Global Compact and also excludes armaments companies. As of 31 December 2021, around Euro 5.8 billion (2020: Euro 5.7 billion) was managed using the filter.

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### Sustainable real estate funds

A key objective of the AMI business area in the year under review was to expand the offering for sustainability-oriented investors. As part of the implementation of the requirements of the Disclosure Regulation, both the Deka-ImmobilienGlobal fund and the Deka-ImmobilienMetropolen fund were classified as funds with environmental characteristics in accordance with Article 8 of the Disclosure Regulation in May of the year under review. The focus here is on the CO<sub>2</sub> footprint of the properties managed in the funds, which is to be reported transparently to investors and successively reduced through appropriate measures. The targeted reduction is oriented towards a decarbonisation path that is compatible with the EU climate goals. In addition to the CO<sub>2</sub> footprint, the reduction of energy consumption intensity is another important goal.

At the end of the year under review, classification as funds based on Article 8 of the Disclosure Regulation was also initiated for the Deka-ImmobilienNordamerika, Deka-ImmobilienEuropa and WestInvest InterSelect funds and submitted to BaFin for review. Classification as products with environmental features under Article 8 of the Disclosure Regulation was completed on 15 January 2022. For these funds, too, the CO<sub>2</sub> footprint is taken into account in the investment decisions, which is to be reduced through corresponding measures. In addition, these products explicitly consider the Principal Adverse Impacts in accordance with Article 7 of the Disclosure Regulation. Further information on the individual products can be found in the sales prospectuses as well as in other publications on the respective product pages at (deka.de).

The need for continuous improvement of data quality remains. To this end, the following measures were implemented in the year under review: All consumption data was requested from the asset managers of the properties via an online query and processed in a database, which enabled a systematic evaluation. Together with experts from an energy consulting company, the supplies were subjected to comprehensive quality assurance and plausibility checks. Implausible data and data gaps were replaced by suitable benchmark values. Since the consumption of the tenants is usually not known, it is extrapolated on the basis of the general electricity consumption.

CO<sub>2</sub> emissions are calculated on the basis of energy consumption values and using appropriate conversion factors. Heating, cooling and general electricity consumption are taken into account. Energies generated on site, e.g. from photovoltaic systems, are not included in the calculation. The conversion of consumption into emissions is based on the CO<sub>2</sub> factors customary in the country for the respective energy mix.

In total, Deka Immobilien Investment GmbH managed around Euro 7.5 billion as on 31 December 2021, explicitly taking sustainability criteria into account. This corresponds to 15 percent of the total assets of the Real Estate Asset Management business area.

### Sustainable real estate management

The cooperation with the PropTech provider MeteoViva Climate to optimise energy consumption and thus also reduce CO<sub>2</sub> emissions without any loss of comfort for the users, is in its third year. So far, a total of 44 properties from various funds have been equipped with this technology, of which 23 facilities were put into operation during the reporting period. In the year under review, about 19,700 MWh/a of electricity and heat energy could be saved in the properties equipped accordingly, which corresponds to a CO<sub>2</sub> saving of about 3,900 tonnes. In the year under review, the technology was put into operation for the first time in properties in France, Austria, the Netherlands and Great Britain. Initially, only office properties were equipped with MeteoViva Climate. In 2021, a shopping centre was added and the corresponding project planning for a hotel property was started.

#### CO<sub>2</sub> footprint of the properties in the investment assets

In the year under review, the AMI business area continued to work on improving the data for measuring the CO<sub>2</sub> footprint and continued the systematic analysis of the CO<sub>2</sub> footprint for all properties in the managed investment assets. Due to the time lag in the provision of consumption data, the following information on CO<sub>2</sub> emissions does not currently refer to the year under review, but rather to the previous year.

In total, 525,628 tonnes of CO<sub>2</sub> emissions were associated with the properties in the real estate portfolios in 2020. Of these, 371,234 tonnes were attributable to mutual funds and 154,394 tonnes to special funds (2019 total: 320,100 tonnes). Due to the improved data situation, estimated values from the previous year were partially replaced by real values and tenant consumption was included, which is one of the reasons for the increase in the CO<sub>2</sub> footprint. However, the use of benchmark data is still necessary if actual consumption is not available.

#### Use of renewable energies

Energy consumption for the management of properties, including for lighting and ventilation, has a significant impact on their CO<sub>2</sub> footprint. As early as 2013, Deka Immobilien Investment GmbH therefore switched to renewable energy sources for its electricity supply and gradually increased the proportion of properties supplied accordingly.

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ABSOLUTE AND RELATIVE CO<sub>2</sub> EMISSIONS OF SELECTED REAL ESTATE FUNDS (TABLE 3)

Fund	Total emissions in t CO <sub>2</sub> p.a.	Annual CO <sub>2</sub> emissions in kg per m <sup>2</sup>
Deka-ImmobilienEuropa	180,511	50.3
Deka-ImmobilienGlobal	61,608	48.9
Deka-ImmobilienNordamerika	8,736	70.2
Deka-ImmobilienMetropolien	1,650	53.0
WestInvest InterSelect	118,728	57.6
<b>Total mutual funds</b>	<b>371,233</b>	<b>52.5</b>
<b>Total special funds</b>	<b>154,394</b>	<b>44.7</b>

Currently, the purchase of 100 percent green electricity for the common areas and technology of the majority of the German properties in Deka Immobilien's portfolio enables over 30,000 tonnes of CO<sub>2</sub> to be offset annually (2019: over 30,000 t CO<sub>2</sub>). Since 1 January 2020, an additional 9,500 tonnes of CO<sub>2</sub> per year have been offset by switching to green gas.

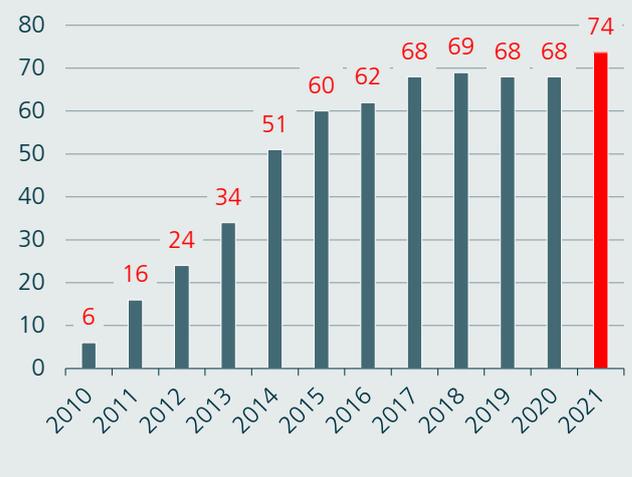
### External certifications and ratings

The sustainability-related certification of fund properties has been an important element of the sustainability strategy in the AMI business area since 2010. In the case of external certification by a qualified service provider, the properties are checked and evaluated for sustainability criteria from a social, ecological and economic point of view over the entire life cycle.

At the end of the year under review, a total of 313 properties (2020: 267) worth around Euro 34.7 billion (2020: Euro 28.5 billion) were certified. In relation to the total property assets of the Deka funds, a certification rate of around 74 percent (2020: 68 percent) was achieved at the end of 2021. After remaining constant for several years, the certification rate increased significantly again in the year under review. On the one hand, this was achieved through purchases of already certified properties. On the other hand, this is also due to a not insignificant share of existing properties that were newly certified in the year under review.

In 2021, the option of a portfolio certification was also examined. However, the topic was not pursued further for the time being in favour of reclassifying the products with ecological characteristics. In the future, the priority is to maintain the very good level currently achieved.

DEVELOPMENT OF THE SHARE OF PROPERTIES WITH GREEN BUILDING CERTIFICATION IN THE REAL ESTATE BUSINESS AREA (FIGURE 6)



### 4.1.1.2.2.2. Memberships

The AMI business area is involved in various initiatives and associations in order to work on the further anchoring of sustainability aspects in the real estate industry in exchange with other market participants. As part of its membership in the BVI, representatives of the business area regularly attend meetings of the "Sustainability" committee and the "Responsible Investing" and "Sustainability in Real Estate Funds" working groups. The business area makes use of its membership in the German Property Federation (Zentraler Immobilienausschuss e. V., ZIA), among other things, to obtain information and exchange views on current political and legal developments in the "Corporate Social Responsibility" committee. Deka Immobilien Investment GmbH is also a member of the Institute for Corporate Governance (ICG), which focuses on the further development of sustainable governance structures in real estate companies. Recertification of Deka Immobilien Investment GmbH's compliance management by the ICG was initiated in the fourth quarter of 2021.

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The BVI Code of Conduct with its voluntary principles and codes constitutes a recognised minimum standard for the good and responsible handling of capital and the rights of investors. They set out how the capital management companies fulfil their obligations towards investors and how they represent their interests vis-à-vis third parties. As members of the BVI, Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH appropriately consider the rules of conduct of the BVI on their own responsibility and refine them through the BVI.

Together with other real estate investment companies, the AMI business division continued to work on the "ECORE – ESG Circle of Real Estate" project in the year under review, which is intended to create a new assessment and reporting standard to document and communicate the ESG and climate quality of real estate properties and funds in a transparent and comparable manner for investors and tenants. In the year under review, the scoring model developed as part of the project was expanded again and tested in a pilot project. The goal is to develop the model to marketability in 2022.

### 4.1.2. Sustainability in lending

For the Deka Group, ESG aspects rank alongside economic aspects when granting loans in terms of holistic and risk-optimised portfolio management and are therefore examined before the financing decision is made. The Deka Group's lending business comprises trading and capital market transactions, real estate finance and special finance. To consider ESG criteria as defined in the "Guidelines Loan Origination and Monitoring" of the European Banking Authority (EBA), ESG scorecards were developed for all financing segments and integrated into the existing lending process from July 2021. They are used to assess the risks associated with ESG factors of both the borrower and the specific financing for each limit establishment, increase and prolongation. Among other things, physical and transitory climate risks are considered. The assessment is based on an ESG traffic light with gradations of green, grey and brown. While financings rated green are only associated with low ESG risks, these are classified as rather high for financings rated brown. A corresponding rating can lead to rejection of the financing. CF CHAPTER 5.3.

#### 4.1.2.1. Financing principles

The Deka Group's credit risk strategy forms the basis for lending transactions. Based on the objectives and guidelines laid down in the Deka Group's business strategy, including those relating to sustainable corporate governance, it sets the framework for all financing activities. With regard to the consideration of ESG criteria in lending business, the Deka Group has defined sustainable investment areas, in which it intends to be increasingly active (positive list). In addition, the Deka Group

excludes various types of financing as a matter of principle (negative list).

#### Positive list<sup>24</sup>

The Deka Group aims to increase the focus of its financing portfolio on transactions that make a positive environmental or sustainability contribution. The positive list adopted by the Board of Management comprises investment areas, in which the Deka Group aims to acquire more sustainable financing or support the expansion of these investment areas. The guiding principle in defining the corresponding investment fields is the potential contribution of the financing to the fulfilment of the UN SDGs.

- The Deka Group supports financing aimed at producing electricity from renewable energies and transporting or storing it.
- The Deka Group also acquires financing, whose aim is to modernise production facilities and whose implementation is accompanied by a significant CO2 reduction in production (the target is 30 percent or more).
- The Deka Group supports the financing of banks that contribute to the establishment/expansion of savings bank-like structures outside the OECD and that have been certified by the International Savings Banks Foundation.
- The Deka Group is increasingly acquiring financing for cargo and passenger ships that minimise their pollutant emissions in accordance with the latest technical standards and are/will be in a position traceably and in due time to comply with the so-called IMO 2020 regulations on the reduction of sulphur emissions.
- The Deka Group only acquires financing for cargo and passenger ships if they are equipped in accordance with the International Maritime Organisation's Ballast Water Convention concluded in 2004 to prevent the spread of invasive species into foreign ecosystems.
- The Deka Group is increasingly acquiring financing for ships, whose technology contributes to reducing waste in the world's oceans.
- The Deka Group acquires financing for aircraft, whose production and management meet the highest possible environmental standards.
- The Deka Group supports financing for modernisation and expansion in freight rail transport.
- The Deka Group supports financing to promote digitalisation and associated infrastructure.
- The Deka Group supports real estate financing for green buildings that have a balanced energy balance in building operation (zero-energy buildings) or that comply with the cradle-to-cradle approach.

<sup>24</sup> according to the Deka Group's business strategy valid from 01 January 2022

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- The Deka Group continuously develops its sustainability efforts further; if, within the framework of syndicated financing, third-party lenders agree upon sustainability filters or specifications that are special or that go beyond those of DekaBank for the financing properties, the Deka Group will check their introduction at DekaBank.

### Negative list<sup>25</sup>

The Deka Group has qualified the following transactions as undesirable and/or high risk – also to avoid reputational risks. They can only be carried out with the exceptional approval of the Board of Management:

- Transactions, where public reports (including those based on socio-cultural, ethical or sustainability aspects) about the financing itself, a business partner, the business practice or the country (country of domicile or risk) may have a lasting negative impact on public confidence in or the reputation of the Deka Group, in particular if<sup>26</sup>
  - they are borrowers with a "brown" overall score according to the ESG scorecard
  - internally, the reputational risk (incl. environmental risks) is assessed as "orange" or "red"
- Transactions with a country as well as borrowers in a country that is on the "Negative List for Risk Countries"; unless 100 percent ECA-covered business is permissible according to this negative list
- Business with companies that generate more than 30 percent of their turnover from coal production and/or more than 40 percent from coal-fired power generation
- Business with companies from the pornography industry or comparable industries (red light milieu)
- Business with companies that operate controversial forms of gambling (betting offices, gambling halls, etc.)
- Business with companies that violate internationally recognised principles in the area of human and labour rights (ILO Declaration on Fundamental Principles and Rights at Work)
- Business with companies without proven experience and/or in new markets that are not comparable to home markets
- Lending transactions of a speculative nature or with a very unusual level of risk (especially loans as defined in the ECB Guideline on Leveraged Transactions)
- Speculative real estate financing within the meaning of Art. 4 (1) No. 79 CRR or positions with particularly high risk pursuant to Art. 128 CRR<sup>27</sup>
- Financing in connection with arms transactions (financing of deliveries, production and trade)
- Financing that poses significant risks to the environment per se, e.g.
  - Uranium mining
  - Development, construction and operation of nuclear/coal-fired power plants
  - Hydropower plants in recognised protected areas (nature conservation and Natura 2000 areas) in Germany; international dam projects can only be financed if the borrower can present a positive audit report on the project from an expert accredited by the United Nations Framework Convention on Climate Change (UNFCCC), demonstrating compliance with the recommendations of the World Commission on Dams
  - Exploration and mining of minerals from conflict and high-risk areas
  - Exploration, mining and transport of rough diamonds
  - Conventional and unconventional fracking
  - Tar/oil sands exploitation
  - Drilling for the purpose of oil and gas production in the Arctic (Arctic Drilling)
  - Palm oil extraction and production
- Financing in connection with mountaintop removal mining (for guidance, see the OECD Environmental Guidelines).
- Financing directly related to the production/distribution of tobacco
- Project finance that does not meet the requirements of the Equator Principles (EP); the EP include social and environmental standards and reference the guidelines developed by the International Finance Corporation (IFC) and the industry-specific Environmental Health and Safety Guidelines (EHS)
- Financing of speculative transactions with foodstuffs
- Venture capital financing
- New business in securitisations (esp. ABSM, RMBS, CLO, CDO) for own investment
- Business with companies that produce controversial weapons<sup>28</sup>

As part of the lending process, all exposures awaiting a decision are checked for possible environmental and/or reputational risks – i. e. the possible exclusion of financing on the basis of the negative list. If the responsible units come to the conclusion that the potential commitment could be associated with increased environmental and/or reputational risks, Sustainability Management receives a separate review assignment. This reviews possible negative effects of the financing on all relevant ESG aspects, for example also biodiversity. In the case of individual-address-related limit facilities and extensions in the areas of trading and capital markets, a sustainability check is carried out using the ESG scorecards, considering labour and

<sup>25</sup> according to the Deka Group's credit risk strategy valid from 01 January 2022

<sup>26</sup> For borrowers/financing in the Financing business area excluding L/C banks, savings bank financing, public sector financing and for corporate addresses in the Capital Markets and Treasury business segments excluding banks, insurance companies, securities funds, sovereigns and legal entities under public law.

<sup>27</sup> CRR: Capital Requirements Regulation; European capital adequacy regulation for banks and financial service providers within the framework of Basel II

<sup>28</sup> Controversial weapons are weapons systems that have indiscriminate effects, cause excessive suffering as well as have devastating effects on the civilian population and are therefore considered unacceptable by the international community.

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human rights criteria (ILO) as well as governance and environmental aspects as defined in this negative list. In the year under review, Sustainability Management carried out 7 (2020: 15) separate reviews. This corresponds to a share of 23.3 percent of the total of 30 credit submissions processed in connection with new business in 2021 (2020: 19).

### 4.1.2.2. Real estate financing

In commercial real estate financing, DekaBank focuses on financing in transparent markets with available market liquidity and a secure legal environment, which are of central importance to the Asset Management Real Estate business area due to their size, transparency and liquidity. In countries, where this is possible, the aim is to ensure that the loans are eligible as cover funds. Suitable financings will also be used in the future as cover funds for green bonds issued by the bank. In addition to traditional investors and project developers at the individual property level, the focus is also on Real Estate Investment Trusts (REITs), real estate companies, pension funds and German open-ended real estate funds. At the end of the year under review, real estate loan financing was in place in Germany, France, Great Britain, Italy, Ireland, Canada and the USA. The gross loan volume including financing for open-ended real estate funds and municipal construction projects was Euro 11.3 billion at the end of the year under review (2020: Euro 10.3 billion).

Economic efficiency as well as environmental and social criteria are analysed for real estate loan financing for each new transaction and included in the due diligence process. Sustainability certificates are also taken into account as a positive element, and thus properties with environmentally compatible characteristics are preferred when initiating business. In addition to energy-efficient management, sustainable properties generally have better rentability and higher value stability. This is reflected in the lender's collateral position.

### 4.1.2.3. Special financing

The gross loan volume in DekaBank's Special Finance area amounted to Euro 14.4 billion as on the reporting date (2020: Euro 14.6 billion). With a volume of around Euro 3.7 billion (2020: Euro 3.9 billion), 25.7 percent (2020: 26.8 percent) of this was attributable to transport finance, while around Euro 5.4 billion (2020: Euro 5.1 billion) and 37.6 percent (2020: 34.9 percent) respectively was attributable to infrastructure and export finance. A further 5.2 billion euros (2020: 5.5 billion euros) or 36.4 percent (2020: 37.9 percent) in savings bank and public financing.

#### Transport finance

DekaBank's transport finance portfolio primarily comprises loans secured by mortgages on aircraft and ships. As on the reporting date, the volume of aircraft financing amounted to

around Euro 2.4 billion (2020: Euro 2.9 billion), with a further Euro 1.3 billion (2020: Euro 1.0 billion) in ship financing. DekaBank only finances means of transport that meet current technical requirements in terms of fuel consumption and environmental protection guidelines and are generally no more than 15 years old at the end of the loan term. Compliance with environmental and safety regulations and any necessary upgrades are always ensured, e.g. through defined savings mechanisms.

Financed ships must also fly a flag listed by the Paris Memorandum of Understanding on Port State Control. This ensures uniform control of ships in ports, e.g. with regard to compliance with safety and social standards. Furthermore, as stipulated in the positive list, only ships that are equipped in accordance with the International Maritime Organisation (IMO) Ballast Water Convention concluded in 2004 and that meet the IMO 2020 requirements are financed.

In the year under review, DekaBank participated, among other things, in the financing of three container ships for the shipping company Hapag-Lloyd, which will be equipped with a new type of propulsion system known as dual-fuel propulsion. With this type of propulsion, ships can also be refuelled with liquefied natural gas, which is significantly more environment- and climate-friendly than diesel oil. Among other awards, the transaction also received the "Marine Money Deal of the Year Award" in the category "Green Finance – Green Loan". By financing new, particularly environment- and climate-friendly ships, but also by retrofitting older ships accordingly, DekaBank is supporting the IMO's goals of reducing GHG emissions in the shipping sector by at least 40 percent by 2030 and 50 percent by 2050 as compared with 2008.

In 2022, DekaBank aims to join the Poseidon Principles initiative. These are a uniform international framework by and for financial institutions for financing more sustainable assets in the shipping sector, based on the Paris climate goals. Central elements are the active monitoring, management and reporting of CO<sub>2</sub> efficiency of ship financing portfolios.

In addition to financing aircraft and ships, DekaBank is also involved in local public transport. In the year under review, for example, it contributed Euro 50 million to the financing of 31 new Siemens multiple units for the Danube-Isar public transport network, which meet the latest environmental standards. It also participated in the financing of the down payment for 64 brand-new S-Bahn train units for future operation in the Hamburg S-Bahn network.

In principle, DekaBank sees the replacement of outdated technologies with new, climate- and environment-friendly technologies as the decisive lever for reducing the negative impact of transport. The corresponding focus of financing activities is

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also reflected in the financing portfolio. For example, the average fuel consumption and corresponding CO<sub>2</sub> emissions in the aircraft portfolio in 2020 were around 15 percent lower than in 2015. One of the reasons for this is the rejuvenation of the financed fleet, where the average age fell by a good two years to the current level of around six years.

### Infrastructure financing

In DekaBank's infrastructure and export credit portfolio (Euro 5.4 billion), around Euro 1.4 billion (2020: Euro 1.4 billion) is attributable to financing renewable energy generation and its infrastructure, including wind farms, solar parks and hydro-power plants. Of the remaining Euro 4.0 billion (2020: Euro 3.7 billion), Euro 2.6 billion (2020: Euro 2.3 billion) is attributable to (project) financing in the infrastructure sector, including financing for municipal utilities and suppliers implementing modern and sustainable infrastructure investments, particularly as part of the energy transition, and Euro 1.4 billion (2020: Euro 1.4 billion) to export financing.

In 2021, DekaBank participated in the project financing of four wind farms, including two onshore farms in Finland, one onshore farm in Sweden and an offshore farm in the English Channel off the French coast, with a volume of Euro 1.7 billion. Together, the four wind farms generate an output of 5.1 gigawatts, which corresponds to the total annual consumption of all households in Berlin, Hamburg, Munich and Cologne. In total, this results in a CO<sub>2</sub> reduction of 179,000 tonnes per year.

DekaBank also makes an important contribution to the transformation of energy generation in Germany. For example, it is financing the further development of VNG AG, which aims to drive forward the production of renewable green gases (biogas, hydrogen) and the digitalisation of infrastructure. DekaBank supports the energy supplier WEMAG, which relies exclusively on renewable energies for electricity production and sales and also focuses on digitalisation and the expansion of fibre optics, in the expansion of its electricity grid. DekaBank also financed Leipziger Versorgungs- und Verkehrsgesellschaft mbH (LVV), whose investment focus in the Energy business area is on phasing out coal and restructuring heat generation to implement the energy transition.

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### 4.2. Employees – Sustainable human resources management

The Corona pandemic has accelerated various trends in the human resources sector that will shape the world of work in the coming years. These include, for example, the digitalisation of work processes and a significantly more flexible design of work locations and hours. At the same time, social and regulatory developments in dealing with the challenges of climate change and sustainable development in particular are leading to an increase not only in the demands on the competence of employees, but also in their expectations of their employer. After all, the attractiveness of a company today depends not least on whether it can present itself as a responsible employer. This includes, among other things, the question of how it understands and promotes diversity within the workforce and what development opportunities it offers to junior staff and especially women. With the realignment of talent management, the development of a diversity strategy and the adoption of the 5<sup>th</sup> equality plan, DekaBank set an important course in this regard during the year under review.

#### 4.2.1. Human resources strategy

The human resources (HR) strategy is part of the Deka Group's business strategy and contains long-term principles for HR work. It builds on the approach of lifecycle-oriented HR management and pursues the goal of appointing "the right employee at the right place". The HR strategy is developed further under consideration of Deka Group initiatives, the market environment and relevant economic, social, political and regulatory trends.

The responsibility for formulating, developing and implementing the Deka Group's HR strategy lies with DekaBank's Human Resources Department. Human Resources Management is divided into various areas of activity. The most important of these include the management of human resources, training and development, employer branding, the promotion of diversity, equality, equal opportunities, work-life balance, occupational health and safety and health management, as well as the structuring of remuneration.

The Human Resources Department ensures a needs-based and future-oriented approach for HR measures through regular exchange at various levels: on the one hand, needs and concrete offers are determined on the basis of direct feedback from employees in the context of employee support and feedback from managers to the management consultancy. On the other hand, the guidelines for action are derived directly from the strategy as well as from impulses from the Executive Board and Management. Finally, specific measures for individual employee groups result from the continuous dialogue with the equal opportunities officers, the employee and severely disabled persons' representatives as well as the youth and trainees' representatives.

Since 2017, the Human Resources Department has been continuously addressing the topics of digitalisation, agility and Arbeitswelt 4.0, with the aim of supporting the digital transformation in the various specialist departments and promoting openness, courage and focus as core values of cooperation

within the Deka Group. In 2018, work began on offering employees and managers targeted formats to build up skills and knowledge for the new world of work. The almost complete conversion of all learning opportunities to virtual participation options and the expansion of short and concise learning videos are intended to enable the integration of learning and further training activities into everyday working life.

The realignment of Talent Management launched in 2021 as part of the Management Agenda 2025 is a targeted response to trends such as demographic change, the changing needs of younger generations and the increasing need to develop new skills due to changing job profiles. Based on the core principle that talent is one of DekaBank's most valuable resources, a holistic talent management approach and process is derived for identifying, attracting, developing, promoting and retaining talent.

#### The DekaWay – Re-designing Work

The "DekaWay" was launched in mid-2020. It describes the Deka Group's development into a modern and change-driven organisation. It focuses on enabling employees and managers to respond flexibly and quickly to changing customer and market requirements by dovetailing traditional and agile forms of work. A DekaWay team from Human Resources supports the implementation by offering a comprehensive range of information, training and workshops for employees, managers and teams. This offer is supplemented by the central further training offer in DekaLearning, which offers a very wide range of e-learning and live online training on the basics and methods of agile working, modern leadership and cooperation.

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### #TeamLead – the Deka Group's understanding of leadership

Under the name #TeamLead, the Deka Group further developed its understanding of leadership in the year under review and adapted it to current challenges. The aim here is to provide managers with a guiding framework on how to shape a new form of cooperation. Leadership and cooperation must be empathetic and in the best interests of the DekaBank and its customers. In the individual units, the new understanding of leadership is to be individually shaped on the basis of the five principles of focus, courage, openness, cooperation and change against the background of the specific framework conditions and requirements in each case. Managers and teams are supported by a cross-departmental and cross-hierarchical project team in finding the best way to live and shape #TeamLead.

### Open dialogue with staff representatives and equal opportunities officers

Employees are represented by staff and works councils in Germany and by employee representatives in Luxembourg. The representatives of the severely disabled and the equal opportunities officers are also available to employees as internal contacts for problems at the workplace. In addition, the youth and trainees' representation represents the interests of trainees and interns in the Deka Group. TABLE 4 provides an overview of the current structure and committees.

### The Deka Pulse-Check

In the year under review, the Pulse-Check was continued as an additional instrument for actively involving employees. As part of the short surveys, all employees had the opportunity to comment on current topics and initiatives. The second Deka Pulse-Check<sup>29</sup> dealt with the organisational change planned as part of the strategic 2025 action programme as well as issues in the context of sustainability. **CF. CHAPTER 2.3., SECTION EMPLOYEE SURVEYS**

COMMITTEES OF STAFF REPRESENTATION (TABLE 4)

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

NUMBER OF EMPLOYEES (TABLE 5)

Total employees (headcount)	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	female	male
Domestic companies	4,094	4,160	4,168	4,177	4,279	1,656	2,623
Foreign companies	398	404	398	364	343	157	186
<b>Deka Group</b>	<b>4,492</b>	<b>4,564</b>	<b>4,566</b>	<b>4,541</b>	<b>4,622</b>	<b>1,813</b>	<b>2,809</b>

<sup>29</sup> Without S-Broker and without IQAM and for all employees who have worked at the company for at least six weeks at the time of the survey.

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AGE STRUCTURE OF ACTIVE EMPLOYEES (TABLE 6)

Deka Group in Germany	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	female	male
% of under 20 year-olds	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%
% of 20-24 year-olds	1.2%	1.4%	1.5%	1.6%	1.8%	2.4%	1.5%
% of 25-29 year-olds	4.9%	4.9%	4.9%	4.7%	5.0%	5.6%	4.6%
% of 30-34 year-olds	10.6%	10.4%	9.8%	8.8%	8.7%	9.8%	8.1%
% of 35-39 year-olds	15.7%	14.2%	12.6%	12.3%	11.7%	12.2%	11.4%
% of 40-44 year-olds	17.6%	17.6%	17.8%	17.4%	16.2%	18.8%	14.7%
% of 45-49 year-olds	20.6%	19.4%	18.4%	17.8%	17.5%	16.0%	18.4%
% of 50-54 year-olds	19.0%	19.9%	20.0%	19.5%	19.8%	17.6%	21.1%
% of 55-59 year-olds	7.4%	8.9%	10.9%	13.6%	14.6%	13.9%	15.1%
% of 60-year-olds and older	2.9%	3.3%	4.0%	4.3%	4.6%	3.8%	5.1%
<b>Average age in years</b>	<b>43.8</b>	<b>44.2</b>	<b>44.7</b>	<b>45.2</b>	<b>45.4</b>	<b>44.5</b>	<b>45.9</b>
Active employees (headcount)	3,805	3,918	3,884	3,930	4,002	1,514	2,488
S-Broker AG & Co.KG/Management AG (in yrs)	<b>42.0</b>	<b>43.2</b>	<b>43.2</b>	<b>41.1</b>	<b>43.0</b>	–	–
IQAM Invest GmbH (in yrs)	–	–	–	–	<b>43.4</b>	–	–

FLUCTUATION RATE\* (TABLE 7)

Deka Group in Germany	2017	2018	2019	2020	2021	Number
<b>Women</b>	<b>3.2%</b>	<b>4.1%</b>	<b>4.5%</b>	<b>6.0%</b>	<b>2.8%</b>	<b>46</b>
Age range 20 – 29	8.5%	11.5%	5.1%	8.1%	2.0%	2
30 – 39	3.2%	4.5%	6.0%	7.4%	3.3%	13
40 – 49	2.4%	3.2%	3.7%	4.6%	2.9%	16
50 – 59	0.8%	1.5%	2.3%	2.5%	1.4%	7
> = 60	15.6%	10.0%	12.8%	30.0%	9.9%	8
<b>Men</b>	<b>3.0%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>3.4%</b>	<b>88</b>
Age range 20 – 29	9.7%	6.3%	11.8%	6.5%	7.2%	9
30 – 39	3.5%	9.1%	6.7%	6.7%	5.8%	31
40 – 49	2.5%	2.6%	4.2%	3.7%	2.3%	20
50 – 59	1.8%	1.2%	1.2%	2.0%	1.7%	16
> = 60	5.2%	11.5%	8.9%	8.1%	7.5%	12
<b>Total fluctuation rate</b>	<b>3.1%</b>	<b>4.2%</b>	<b>4.4%</b>	<b>4.9%</b>	<b>3.1%</b>	<b>134</b>
S Broker AG & Co. KG/Management AG	<b>6.0%</b>	<b>17.6%</b>	<b>9.6%</b>	<b>9.0%</b>	<b>14.9%</b>	31
IQAM Invest GmbH	–	–	–	–	<b>20.3%</b>	13

\* without the Board of Management, temporary staff, trainees, students, apprentices, interns/graduating students, pensioners (start supply reference)

ENTRY RATE\* (TABLE 8)

Deka Group in Germany	2017	2018	2019	2020	2021	Number	Switching rate**
<b>Women</b>	<b>4.7%</b>	<b>5.9%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>3.7%</b>	<b>60</b>	<b>71.7%</b>
Age range 20 – 29	5.1%	23.6%	17.0%	12.6%	13.2%	12	77.8%
30 – 39	18.5%	8.6%	4.8%	5.0%	6.5%	25	67.1%
40 – 49	8.4%	3.2%	3.0%	2.4%	2.9%	16	65.2%
50 – 59	2.4%	1.9%	0.9%	2.3%	1.2%	6	81.3%
> = 60	1.6%	3.5%	0.0%	0.0%	1.1%	1	75.0%
<b>Men</b>	<b>1.4%</b>	<b>5.0%</b>	<b>3.8%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>124</b>	<b>61.0%</b>
Age range 20 – 29	4.5%	27.5%	12.8%	14.0%	26.4%	28	54.8%
30 – 39	21.6%	8.7%	7.7%	8.1%	10.1%	52	59.1%
40 – 49	8.1%	3.5%	3.0%	3.4%	3.3%	28	65.0%
50 – 59	2.3%	0.8%	1.4%	0.8%	1.7%	16	66.0%
> = 60	1.9%	0.0%	0.0%	0.0%	0.0%	0	100.0%
<b>Total entry rate</b>	<b>3.0%</b>	<b>5.3%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>4.4%</b>	<b>184</b>	<b>65.3%</b>
S Broker AG & Co. KG/Management AG	–	–	–	<b>13.7%</b>	<b>15.5%</b>	<b>32</b>	
IQAM Invest GmbH	–	–	–	–	<b>11.6%</b>	<b>8</b>	

\* without the Board of Management, temporary staff, trainees, students, apprentices, interns/graduating students

\*\* Promotion and expansion of the internal job market; internal before external; includes all personnel measures (job, function and organizational switches) in relation to "external" entries

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### 4.2.2. Management of human resources

#### 4.2.2.1. Size and structure of the workforce

The increasingly dynamic changes in the banking sector regularly require a review and, if necessary, adjustment of the number and structure of employees. If this involves job cuts, DekaBank focuses on personnel measures that are as socially acceptable as possible and are carried out by mutual agreement. In this context, discussions and negotiations are initiated with employee representatives at an early stage, taking into account all legal requirements, such as those set out in the German Federal Staff Representation Act (Bundespersönalvertretungsgesetz), so that uniform arrangements are made and the greatest possible transparency is ensured with regard to agreed benefits.

Staff restructuring is an integral part of strategic realignments and cost-cutting programmes. Constant change is the norm in the globalised and digitalised economy. Job requirements will continue to change, leading to the disappearance of old jobs. In turn, new jobs are likely to emerge elsewhere that require human skills that are less easy to automate, such as creativity, collaboration, personal communication or management skills.

DekaBank is facing up to these challenges and is focusing on personnel measures that are as socially acceptable as possible and are carried out by mutual agreement. Discussions and negotiations with employee representatives are initiated at an early stage so that uniform regulations are agreed and the greatest possible transparency of agreed benefits is ensured. It goes without saying that the legal requirements, e.g. from the Federal Staff Representation Act or the Works Constitution Act, are complied with.

As on 31 December 2021, the Deka Group had a total of 4,622 employees (2020: 4,541). As no complete integration of personnel has taken place, the information for S Broker AG & Co. KG is shown separately. Here, 176 people were employed at the end of 2021 (2020: 167). The same applies to IQAM Invest, which had 56 employees at the end of 2021. **CF. TABLES 5 + 11**

#### 4.2.2.2. Age structure

The average age of all Deka Group employees working in Germany was 45.4 years at the end of 2021 (2020: 45.2 years). The age group between 50 and 54 was the most strongly represented. **CF. TABLE 6**

#### 4.2.2.3. Resource management and employer brand management

The attractiveness of an employer is also defined by its employer brand. To further enhance the Deka Group's attractiveness in the competition for qualified employees, an employer branding project was launched in 2018 to further develop the Deka Group's employer brand. The aim is to inform suitable candidates about DekaBank as an employer and to attract them to work within the Deka Group. The new employer brand was presented to the public as part of a personnel marketing campaign in the spring of the year under review. Since April 2021, the careers page has also been available in English. Increased participation in career fairs for junior staff and experienced professionals creates greater visibility for DekaBank as an employer. Potential applicants can be actively approached and recruited via these fairs.

The presentation of the Open Digital Factory within the careers page makes DekaBank's Innovation Hub visible. Potential candidates can find out how – mostly digital – solutions are developed within the Deka Group in line with requirements. Employees can find out about the current status of employer branding and HR marketing via the Intranet.

The Deka Group is committed to filling vacant positions internally wherever possible. This goes hand in hand with the stringent development of employees and a clear focus on the HR strategy – "the right employee at the right place". The turnover rate within the Deka Group in Germany was 65.3 percent in the year under review (2020: 68.9 percent). Since 2014, vacant management positions have been occupied within the framework of the "Deka Management Forum". This includes support from an external management diagnostician as well as the option of conducting the process partially remotely.

The internal advertisement and appointment process is coordinated with the staff representatives within the framework of the service/works agreement. Members of the staff representations and the equal opportunities officers participate in specific selection procedures.

#### 4.2.2.4. Fluctuation, length of service and new employees

An important quantitative indicator for the success of resource management and the cultivation of the employer brand is the fluctuation rate. In 2021, it was 3.1 percent in Germany and thus significantly below the level of the previous year (2020: 4.9 percent). After achieving an average length of service of over ten years for the first time in 2015, this reached a new high of 12.0 years at the end of 2021 (2020: 11.8). In addition, the Deka Group was able to increase its entry rate in the

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year under review compared with the previous year. Both figures underline the Deka Group's high attractiveness as an employer.

### 4.2.3. Training and further education

#### 4.2.3.1. Training

As on 31 December 2021, the Deka Group employed a total of 82 apprentices and trainees in Germany. In order to be able to offer all apprentices and trainees continued employment after they have successfully completed their training, the number of apprentices and trainees is determined in line with requirements. **CF. Table 9**

In August 2021, in addition to one student studying computer science as part of a dual course of study, seven apprentices started in the IT department as IT specialists for application development.

The Deka Group attaches great importance to the fair treatment and appropriate support of interns. For this reason, DekaBank participates in the "Fair Company" initiative of the Handelsblatt publishing group. In doing so, it undertakes to offer students interesting activities and fair working conditions as part of an internship with the Deka Group.

#### 4.2.3.2. Further education

At least once a year, employees and managers define individual development paths based on the identified development needs. A broad spectrum of measures is available to them, which is continuously developed in line with strategy and needs. It includes offers for the development of personal, methodological, social and professional skills. DekaBank supports its employees with internal or external training measures, both financially and in terms of time. The form and scope of employee involvement in the joint definition of their professional development is based on the internal "Competence Development" agreement.

The agreed training takes place either as part of professional activities, for example by taking on project tasks, or through measures that are carried out "off the job", such as seminars or longer-term training courses that are completed with a certificate. DekaBank is also increasingly relying on short and digital formats as part of its training offering in order to enable good integration and application in everyday working life as well as mobile access. In particular, the opportunities for virtual participation in online presence offerings and self-learning formats have been expanded to a great extent with the aim of promoting skills in the use of digital tools and media in addition to location-independent access to learning opportunities. Examples of this are virtual face-to-face training, e-learning or corresponding blended learning offers. The blended learning

formats used are characterised by the combination of different methods and media. For example, online face-to-face training and e-learning are enriched with transfer-supporting tasks between smaller learning units. This is intended to sustainably promote the development of competences with corresponding practical relevance. In addition, the app-based DekaCoach offers managers the opportunity to work on leadership topics individually and according to their needs.

The DekaLearning learning system maps the internal central further education offering. It provides employees with a comprehensive overview of further education offerings and thus enables them to put together personal learning plans. Here, users can opt for self-learning or guided learning formats according to their individual learning preferences.

In addition, three qualification paths were continued in the year under review, covering the topic of sustainability and linking a range of learning opportunities around this topic. The three qualification paths are aimed at sales staff and, in addition to basic knowledge about sustainability, also cover regulatory topics and in-depth knowledge about the Deka Group's sustainability products. The total of 17 learning modules of the qualification paths were very actively used in the year under review.

#### 4.2.3.3. Further training expenditure

In the year under review, the financial expenditure for further training measures amounted to an average of Euro 865 per employee capacity in Germany (2020: Euro 676). As a reaction to the changed needs in the Corona-related situation, the further training offer increasingly relies on shorter and digital formats. This approach was also continued for learning-didactic reasons and to simplify accessibility and integration of learning units into everyday work in 2021. The provision of short and digital trainings has an impact on the average investment in further training per employee and also leads to a higher utilisation of the offerings. This figure does not include expenses for further training within the scope of various projects, e.g. for the implementation of MIFID II and DS-GVO, measures "on the job" and the use of educational leave. In 2021, the central range of topics was significantly expanded to include topics in the context of New Work, DekaWay, virtual working, agility and IT application training.

A total of 36,859 seminar hours (2020: 16,246) were completed as part of the DekaLearning offerings in the year under review. On average, 9.9 hours (2020: 4.4) per employee capacity were invested in DekaLearning events. Both the range of topics (+ approx. 40 percent) and the number of training sessions (+ approx. 50 percent) increased significantly. External training courses are not included in this figure. **CF. TABLE 10**

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### TRAINEES (TABLE 9)

Deka Group in Germany (headcount)	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	female	male
Trainees	53	33	32	40	56	19	37
Funded students (HfB, HdS)	8	4	6	4	0	0	0
Apprentices	16	15	16	25	26	12	14
<b>Junior staff</b>	<b>77</b>	<b>52</b>	<b>54</b>	<b>69</b>	<b>82</b>	<b>31</b>	<b>51</b>

### EXPENDITURE AND SCOPE OF FURTHER TRAINING MEASURES (TABLE 10)

#### Costs and scope of further education and training measures

Deka Group Germany	2017	2018	2019	2020	2021
Further education and training costs (€m)	3.2	3.5	3.8	2.5	<b>3.2</b>
Average per active employee (€)	900	949	1.042	676	<b>865</b>

#### Seminar hours

Deka Group Germany	2017	2018	2019	2020	2021	female	male
DekaLearning offers (h)	25,496.1	25,835.0	22,369.4	16,246.4	<b>36,858.9</b>	12,532.0	24,326.9
Average per active employee (h)	7.2	7.1	6.1	4.4	<b>9.9</b>		

#### 4.2.3.4. Evaluation of measures

The training courses and seminars offered are continuously evaluated on the basis of the dimensions of satisfaction, learning and transfer success as well as benefit. Already in 2020, the surveys were adapted to the requirements of the increased implementation of virtual learning formats in order to ensure the recording of support needs, perception of benefits and transfer possibilities and to take them into account in the learning offer of the year under review. In addition, the desire for hybrid learning offers was taken into account for the planning of the DekaLearning offer.

#### 4.2.4. Diversity in the Deka Group

##### 4.2.4.1. Diversity strategy

The diversity of the workforce – whether in terms of gender, cultural background, life experience or the talent of each individual – is an asset to the Deka Group and a key success factor for its competitiveness and future viability. DekaBank is convinced that the diversity of its workforce and their perspectives help to better understand customers and markets and drive innovation. Creating a climate of openness, belonging and mutual respect is therefore not only the basis for cooperation within DekaBank, but also essential for the success of the company – and therefore an objective and task that the Board of Management, managers and employees tackle together as part of Diversity Management. The focus is on promoting equal opportunities so that all employees can develop their potential and development opportunities and contribute to the company. The extensive measures also contribute to increasing employer attractiveness and to employees' identification with and loyalty to the Deka Group.

In order to do justice to the high importance of the topic, project teams made up of employees and managers developed a diversity strategy for the Deka Group in the year under review as part of the Strategic Action Programme 2025. The strategy and the numerous measures embedded in it incorporate all relevant diversity dimensions, including gender, age and generation mix, disability, social origin, nationality, cultural background, religion and sexual orientation. The goals and topics of the equal opportunities officers and the disabled persons' representatives were also integrated into the diversity strategy.

**CF. CHAPTER 4.2.4.2.**

New organisational structures have been introduced to ensure the operational implementation of targeted activities and initiatives as well as the networking and ongoing development of the strategy: The newly created Diversity Management position and the Diversity Council, which is staffed by members of the DekaBank Board of Management, have strengthened the existing commitment to promoting and valuing diversity in the Deka Group since October 2021. In a next step, DekaBank aims to detail quantitative and/or qualitative targets for all diversity dimensions as part of its business and HR strategy and to establish a monitoring system.

For the Deka Group, it is of central importance to provide a framework that prevents discrimination, sexual harassment or bullying from occurring in the first place. Violations of the Code of Ethics or other discriminatory conduct as defined by legal regulations, as well as threatening, hostile or abusive behaviour, are not tolerated.

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### EXPANDING AND PROMOTING DIVERSITY (FIGURE 7)



\* female/male/non-binary

#### 4.2.4.2. Equal opportunities for women and men

##### Equality plan

The Deka Group's 5<sup>th</sup> Equality Plan, which came into force on 1 January 2021, is a key instrument of HR policy for implementing equal opportunities for women and men and anchoring them in the corporate culture in the long term. It comprises the following four objectives:

1. Equal opportunities – Significantly increase the proportion of women in management and specialist career positions, in project management, in the AT area and in junior staff programmes, for example through mentoring programmes and the promotion of internal and external networking among women.
2. Permanently ensuring good framework conditions for reconciling work and family life for women and men. At the same time, greater importance is to be attached to the last years of employees' careers with the transition to retirement.
3. Motivation of male employees to make greater use of measures to reconcile work, family and care than before.
4. Anchoring gender equality goals in the diversity strategy.

Based on the relevant data as on 31 December 2020, an interim assessment of the status of equality within DekaBank was prepared. The measures derived on this basis and adopted by the Board of Management serve to achieve the goals defined in the 5<sup>th</sup> Equality Plan. The interim review revealed a need for action, particularly with regard to the goal of equal opportunities. Here, the Equality Plan provides for a series of

activities to increase the proportion of women in management and specialist career positions, in project management, in the AT area and in junior staff programmes. By implementing these measures, DekaBank is also contributing to the implementation of the UN Women's Empowerment Principles to ensure equal treatment of women in a professional context, to which it committed in 2017.

##### Mentoring programme and other support measures

One of the measures within the framework of the implementation of the Equality Plan is the women's mentoring programme. In future, 15 female talents will start here each year instead of the previous eight, and they will be accompanied by a head of department. Around one third of the participants in the mentoring programme are now in management positions at the Deka Group. In addition, women are to be given greater consideration and targeted in the recruitment process for management positions. The range of seminars also includes special offers for women, e.g. "Communication Kick for Women", where confident appearance and effective communication and presentation can be trained. A supporting programme promotes networking and individual development. The Deka Group uses the Genderdax platform to specifically address women. In a detailed profile, women can find specific information about the measures to promote women in the Deka Group. The new careers site, which has been online since September 2020, provides an in-depth insight into the Deka Group's working environment and uses images, text and messages to increase the attractiveness of the site as an employer for female specialists and managers.

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### Information and networking

Since 2003, the Deka Group's equal opportunities officers have already been holding regular events to inform employees about current topics relevant to aspects of equal opportunities, e.g. parents' meetings or information events on care. In addition, events are offered by the equal opportunities officers that are aimed exclusively at women. These include the annual women's meeting, which is regularly attended by a member of the Deka Group's Board of Management, and the DekaFrauenFokus series of events.

Networking women and promoting them in the German-speaking investment fund industry is the mission of the career network fund women, which DekaBank joined in 2018. Here, the Deka Group can place targeted job advertisements for relevant target groups. The cooperation also enables women to network across hierarchical levels in order to regularly exchange ideas and support each other in achieving their personal and professional goals. In 2021, the "Fund Manager of the Year" was also chosen by funds woman for the first time (**CF. BACKGROUND BOX**). Since 2020, DekaBank has also been a member of IWIL (Initiative Women Into Leadership), a cross-company mentoring programme. In addition, one employee took part in the LeadershipNext Academy for the first time in the year under review, a special development programme for women, who want to rise to the top level in companies.

### Fund women Award for the Manager of the Deka-ImmobilienEuropa fund

Nina Stapf, fund manager of Deka-ImmobilienEuropa, was awarded the fund women Award "Fund Manager of the Year". The award, which was presented for the first time in 2021, is presented to female fund managers, who achieve a competitive and excellent performance. In doing so, she should have successfully brought an innovative strategy to the market or generated significant inflows of funds for it.

According to the jury, Nina Stapf has fulfilled these criteria in a special way. The jury thus acknowledges the strong growth of more than 25 percent that the fund has achieved in recent years. With a volume of Euro 17.6 billion, it is currently the largest open-ended real estate fund in Germany. In addition to the stable performance, the jury members also emphasised the focus on sustainability of the more than 140 properties.

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### NUMBER OF WOMEN AND MEN (TABLE 11)

#### Number of women and men: Total\* employees

Deka Group in Germany (headcount)	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Women	1,603	1,636	1,641	1,626	<b>1,656</b>
Men	2,491	2,524	2,527	2,551	<b>2,623</b>
<b>Total</b>	<b>4,094</b>	<b>4,160</b>	<b>4,168</b>	<b>4,177</b>	<b>4,279</b>
Total* share of female employees	39.2%	39.3%	39.4%	38.9%	<b>38.7%</b>
* $\Sigma$ Active employees + apprentices + inactive employees + trainees					
S-Broker AG & Co.KG/Management AG	<b>157</b>	<b>152</b>	<b>157</b>	<b>167</b>	<b>176</b>
Total* share of female employees	40.8%	36.2%	35.7%	35.3%	<b>39.2%</b>
IQAM Invest GmbH	–	–	–	–	<b>56</b>
Total* share of female employees	–	–	–	–	<b>32.1%</b>

#### Number of women and men: Active\*\* employees

Deka Group in Germany (headcount)	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Women	1,435	1,491	1,466	1,471	<b>1,514</b>
Men	2,370	2,427	2,418	2,459	<b>2,488</b>
<b>Total</b>	<b>3,805</b>	<b>3,918</b>	<b>3,884</b>	<b>3,930</b>	<b>4,002</b>
Total share of active** female employees	37.7%	38.1%	37.7%	37.4%	<b>37.8%</b>

\*\* Sum of the Board of Management + senior executives + permanent employees + temporary employees + stand-ins.

### EQUAL OPPORTUNITIES – TARGETS UP TO 2024 (TABLE 12)

	31 Dec 2020	31 Dec 2021	Target for 31 Dec 2024
Board of Management	16.7%	<b>16.7%</b>	min. 16.7%
Divisional Management	8.1%	<b>8.6%</b>	min. 20.0%
Heads of Department	15.6%	<b>15.3%</b>	min. 25.0%
Group Management	22.3%	<b>21.9%</b>	min. 30.0%
Subject Area Management	21.0%	<b>21.0%</b>	min. 26.0%
AT employees	26.5%	<b>27.4%</b>	min. 30.0%

### PROPORTION OF WOMEN IN MANAGEMENT POSITIONS (TABLE 13)

Deka Group in Germany	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	female	male
Board of Management	20.0%	20.0%	16.7%	20.0%	<b>16.7%</b>	1	5
1. Management level (Head of Division)	5.7%	8.6%	8.1%	8.1%	<b>8.6%</b>	3	32
2. Management level (Head of Department)	15.7%	16.2%	15.7%	15.6%	<b>15.3%</b>	19	105
3. Management level (Group Manager)	23.7%	24.5%	22.3%	22.3%	<b>21.9%</b>	61	217
<b>Management levels (including Board of Management)</b>	<b>19.7%</b>	<b>20.8%</b>	<b>19.1%</b>	<b>19.2%</b>	<b>19.0%</b>	<b>84</b>	<b>359</b>
for information: Subject Area Management	22.5%	22.0%	21.1%	21.0%	21.0%	39	147
S-Broker AG & Co.KG/Management AG	20.0%	15.8%	20.0%	22.2%	29.4%	5	12
IQAM Invest GmbH	–	–	–	–	0.0%	0	8

### NUMBER OF SEVERELY DISABLED EMPLOYEES (TABLE 14)

Deka Group in Germany	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
Women	64	67	72	72	<b>73</b>
Men	55	64	69	68	<b>68</b>
<b>Total employees</b>	<b>119</b>	<b>131</b>	<b>141</b>	<b>140</b>	<b>141</b>
Compulsory jobs (shall)	195	198	202	199	<b>204</b>
occupied	110	125	135	134	<b>138</b>

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### Nationalities

Employees from 52 nations are represented in the Deka Group. At year-end 2021, 286 employees (132 women and 154 men) had a nationality other than German. At 7.1 percent (2020: 7.1 percent), their share in the year under review was at the same level as the previous year. The most strongly represented nations are Italy, Croatia, France, Russia, Turkey and Greece.

### People with disabilities

Non-visible disabilities are often kept quiet for fear of prejudice or disadvantage. The Deka Group therefore establishes a culture that creates sufficient trust to disclose a disability. It provides targeted support for employees with physical and mental disabilities and attaches great importance to treating them with respect and, in particular, without discrimination.

In order to provide employees with physical disabilities with a good working and development atmosphere, the Deka Group has designed its offices accordingly: All buildings are accessible without barriers and have sliding doors or doors with electronic door openers. The work equipment provided by the Deka Group is generally of a higher standard than required by law.

At the end of 2021, 67.6 percent (2020: 67.3 percent) of the mandatory places as per the notification of severe disabilities were filled. Employees of DekaBank and its subsidiaries have access to qualified representatives for the severely disabled as a point of contact and confidant for all issues relating to severe disabilities. Domestic employees of subsidiaries that do not have their own representatives for the severely disabled due to their size are supported by DekaBank's representatives for the severely disabled. This is intended to provide targeted support for employees with disabilities in the Deka Group to ensure better integration and appreciation of this group of people.

### 4.2.4.3. Reconciling family and career

With the help of lifecycle-oriented HR management, DekaBank creates framework conditions that combine professional advancement with the demands and needs of private life in the best possible way. This applies in particular to employees with children or relatives in need of care. All employees have access to advice and referral services on childcare and nursing care, irrespective of their location.

Since 2005, the Deka Group has regularly taken part in the external certification process "audit beruf und familie" (work and family audit) in order to continuously develop its offering. In the year under review, the Deka Group was recognised for its family-conscious HR policy for the sixth time.

In the year under review, the focus was again on supporting managers in their task of developing good and coordinated solutions for their teams and all team members to reconcile work and family life. In order to be able to target further measures in this area, the equal opportunities officers are planning another survey on work-life balance for 2022.

### 4.2.4.4. Working hours models

Flexible working hours are an important element in ensuring the compatibility of work and family or care. Employees currently have the option of choosing from around 70 different part-time models. The part-time ratio in the Deka Group in Germany was 21.5 percent at the end of 2021, i. e. more than the previous year's figure (2020: 20.9 percent). **CF. TABLES 15 + 16**

In order to strengthen the balance between work and professional life in a contemporary way, employees will have the opportunity to use mobile working in the future. In an agreement concluded with the staff council and the works councils, it was determined that mobile working will be possible for all employees in the future within the framework of operational, legal and regulatory requirements. Within the framework of the corresponding service or works agreements, employees are given the right to work 40 percent of their working hours on a mobile basis. An increase of the share up to 100 percent is possible, where this is in the interest of all parties involved. There are defined exceptions for individual areas and functions; in the event of disagreement between the parties involved, a regulated arbitration procedure takes effect. Active employees, who are not under notice of termination, receive an amount of 1,000 euros (net) to equip the mobile workplace. In addition, there are accompanying regulations on technical equipment, insurance and data protection. During the Corona pandemic, this arrangement was increasingly used, so that since March 2020 an average of more than 80 percent of the Deka Group's employees have regularly worked on a mobile basis.

Employees with permanent contracts also have the option of taking unpaid leave or financing paid time off from work via a saved credit balance in their working hours account, the Deka-ZeitDepot. The collective agreement also provides that, under certain conditions, they can extend the duration of parental leave by a maximum of six months as part of the family phase.

The proportion of Deka Group employees in Germany, who do not participate in time recording – generally non-tariff employees – was 68 percent in 2021 (2020: 67.4 percent). The proportion of employees, who are not assigned to a working hours model due to temporary work with a fixed-term employment contract or for other reasons, was 2.6 percent (2020: 2.2 percent). The average number of temporary workers and working students for the year was 106 (2020: 86).

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PART-TIME RATE OF ACTIVE EMPLOYEES (TABLE 15)

Deka Group in Germany	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	Full-time	Part-time
Women	37.4%	38.6%	41.0%	42.3%	<b>42.6%</b>	869	645
Men	5.5%	6.1%	7.2%	8.1%	<b>8.6%</b>	2,273	215
<b>Part-time ratio total</b>	<b>17.5%</b>	<b>18.5%</b>	<b>19.9%</b>	<b>20.9%</b>	<b>21.5%</b>	3,142	860
Women	34.4%	34.5%	35.7%	35.6%	<b>28.4%</b>	48	19
Men	11.8%	14.4%	14.9%	11.1%	<b>11.2%</b>	95	12
<b>S-Broker AG &amp; Co.KG/Management AG</b>	<b>21.0%</b>	<b>21.7%</b>	<b>22.3%</b>	<b>19.8%</b>	<b>17.8%</b>	143	31
Women	–	–	–	–	<b>77.8%</b>	4	14
Men	–	–	–	–	<b>18.4%</b>	31	7
<b>IQAM Invest GmbH</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>37.5%</b>	35	21

PART-TIME RATIO OF MANAGERS (TABLE 16)

Deka Group in Germany	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	Full-time	Part-time
Women	21.3%	18.6%	18.3%	19.0%	<b>16.7%</b>	70	14
Men	2.5%	2.4%	2.9%	3.4%	<b>2.8%</b>	349	10
<b>Part-time ratio total</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.8%</b>	<b>6.4%</b>	<b>5.4%</b>	419	24

#### 4.2.4.5. Support for employees with children

Permanent employees with younger children can take advantage of the Deka Group's childcare support. The offer includes 30 crèche places and 17 nursery places, which are provided at the Frankfurt site. Since 2018, it has also been possible for employees, who work for the Deka Group outside the head office in Frankfurt, to apply for a childcare place at a pme Familienservice location throughout Germany, depending on availability.

In addition, the Deka Group offers emergency childcare, which parents can use free of charge for up to five days per year per child if regular childcare is cancelled. Parents of school-age children are also supported in bridging the time off school by funding up to ten days of holiday programme per year and child. As the Corona crisis led to the widespread closure of childcare facilities and schools as well as further impairments in their availability, the Deka Group, together with pme Familienservice, implemented virtual childcare with an age-appropriate programme to ease the burden on employees during this time. Flexible working hours arrangements and the extensive option of mobile working additionally helped to ease the situation in families with children, at least in part.

On average over the past five years, Deka Group employees returned to work 13.3 months (2020: 13.5 months) after the birth of a child. Employees took advantage of parental leave at the same level as in the previous year. During 2021, 106 employees (men) (2020: 106) of the Deka Group took parental leave. Although their number was higher than that of women (84) (2020: 83), the average duration of parental leave taken was shorter (men: 1.9 months/women: 11.9 months).

The return rate after parental leave was 95.1 percent (2020: 97.8 percent), the retention rate was 96.8 percent in the year under review (2020: 93.9 percent). The Human Resources Department and the equal opportunities officers offer employees comprehensive advice and mediation on organising childcare and on the topics of maternity protection and parental leave.

Since 2015, the Deka Group has also been cooperating with Viva Familienservice, which offers advice and mediation on all aspects of childcare and nursing care. In the year under review, 66 cases were processed in the Work & Children category (2020: 81). Since employees can place their concerns by phone or e-mail, the service is available across all locations in Germany. This means that employees in Luxembourg can also participate if their question relates to Germany.

#### 4.2.4.6. Support for employees with dependents in need of care

To underline the importance of this issue, the Deka Group signed the Charter for Reconciling Work and Care in Hesse back in 2014. With its measures, the Deka Group wants to help create a working environment, in which caring for family members is not a taboo subject and those affected are shown respect and recognition for this task.

In cooperation with professional partners such as Viva Familienservice, employees who care for relatives in need of care, are supported. The so-called eldercare counselling and mediation relieves employees in the organisation, financing and implementation of care tasks. In the year under review, 152 cases (2020: 201) were handled by the Viva Familienservice in this area.

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### EMPLOYEES ON PARENTAL LEAVE<sup>30</sup> (TABLE 17)

Parental leave – as per reporting date (headcount)		31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	
Women		76	67	79	80	66	
Men		9	7	5	6	9	
<b>Total</b>		<b>85</b>	<b>74</b>	<b>84</b>	<b>86</b>	<b>75</b>	
Parental leave – during the year (headcount)		31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	
Women		72	82	78	83	84	
Men		119	126	139	106	106	
<b>Total</b>		<b>191</b>	<b>208</b>	<b>217</b>	<b>189</b>	<b>190</b>	
Average duration of parental leave (months)		31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	5-year Ø
Women		14.3	13.0	14.7	12.6	11.9	13.3
Men		1.7	1.2	1.6	1.3	1.9	1.5
Return after parental leave (headcount)				31 Dec 2019	31 Dec 2020	31 Dec 2021	
Women				73	75	71	
Men				138	105	105	
<b>Total</b>				<b>211</b>	<b>180</b>	<b>176</b>	
Return rate				31 Dec 2019	31 Dec 2020	31 Dec 2021	
Women				98.6%	96.2%	89.9%	
Men				99.3%	99.1%	99.1%	
<b>Total</b>				<b>99.1%</b>	<b>97.8%</b>	<b>95.1%</b>	
Remaining after parental leave (12 months) (headcount)				31 Dec 2019	31 Dec 2020	31 Dec 2021	
Women				75	73	77	
Men				115	128	102	
<b>Total</b>				<b>190</b>	<b>201</b>	<b>179</b>	
Retention rate (12 months)				31 Dec 2019	31 Dec 2020	31 Dec 2021	
Women				96.2%	96.1%	96.3%	
Men				90.6%	92.8%	97.1%	
<b>Total</b>				<b>92.7%</b>	<b>93.9%</b>	<b>96.8%</b>	

#### 4.2.5. Occupational safety and health management

Health management was developed in the context of life-cycle-oriented human resources work as a response to the challenges of demographic change and the associated shortage of skilled workers. Its central pillars are the topics of exercise/sport, nutrition, medicine/prevention and mental health. Furthermore, health and the workforce's ability to work are promoted through far-reaching measures within the framework of occupational health and safety care in cooperation with experts such as the company doctor and the safety specialist.

#### 4.2.5.1. Sickness rate

The sickness rate in 2021 was 2.9 percent and thus below the previous year's value (2020: 3.2 percent). The monthly trend shows that increased sickness rates mainly occurred in the 4<sup>th</sup> quarter of 2021. This is associated with the increased risk of influenza during the cold season. As in previous years, there were no deaths at work in the Deka Group in 2021. **CF. TABLE 18**

#### 4.2.5.2. Exercise, sport and nutrition

As a successor to the Health Centre, which was closed at the turn of 2020/2021, the new digital health platform "Deka

<sup>30</sup> Without maternity leave and secondary activities in parental leave.

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machtfit" was introduced in October 2020. It enables employees<sup>31</sup> to take advantage of individual, and flexible offers provided by DekaBank itself or by external partners. DekaBank provides all employees with a health budget of Euro 200 per calendar year for booking external offers. The platform offers a large partner network with a wide range of subsidised and certified health and prevention courses that can be used near the workplace, at the place of residence or at home, as well as via app. New providers and offers are constantly being added to the platform.

By the end of the year under review, 3,447 employees had already registered on the platform. Full participation in "Deka machtfit" is open to all employees with a German employment contract; there are only a few restrictions for employees in Luxembourg.

The Deka Group also supports participation in running events such as the annual J.P. Morgan Corporate Challenge through Frankfurt city centre. Due to the Corona pandemic, this run was cancelled in the year under review. As an alternative, the Deka Group organised its own virtual company run in the year under review, in which employees were able to complete a distance of 5, 10 or 21 km individually or a distance of 42 km together as a relay team. In the process, 267 Deka Group employees covered a total of 2,698 km as individuals and in 28 relay teams. For every kilometre run, DekaBank donated Euro 1 to the association "Hand-in-Hand für schwerst- und krebserkrankte Kinder e. V." (hand-in-hand for seriously ill children and children with cancer). DekaBank increased the donation amount to a total of Euro 5,000. To support the sporting activities of its employees, the Deka Group also sponsors its company sports club (DekaBank Sport e. V.). It offers its 500 members a range of 15 sports.

A balanced diet is an important part of preventive healthcare. For this reason, the Deka Group attaches great importance to a varied and healthy range of canteen meals with food from the region. With its concept based on these principles, the caterer Food Affairs was also convincing in the selection process for the canteen operation at the new location at Lyoner Straße. In addition, in cooperation with Medical Airport Service GmbH, several free online training sessions on the topic of healthy nutrition were organised for the predominantly mobile workforce. In addition, the new "Deka machtfit" offer enables, among other things, participation in diverse nutrition programmes, the possibility of ordering food boxes or taking part in virtual cooking courses to eat healthily and consciously.

### 4.2.5.3. Occupational safety and medical care

In the area of occupational safety, the Deka Group complies with all relevant laws, ordinances, regulations and the collective agreement of the public and private banking sector. These

include, in particular, the Occupational Safety Act (ASiG), the German Occupational Safety and Health Act (ArbSchG), the Workplace Ordinance and DGUV regulations 1 ("Principles of Prevention") and 2 ("Company doctors and occupational health and safety specialists"), the latter being more specific provisions of the ASiG. Important measures of the applicable laws include the occupational medical check-up, the systematically conducted risk assessments to identify and analyse risks, and the regularly meeting of the occupational safety committee (Arbeitsschutzausschuss, ASA). The employer must form this committee according to the Occupational Safety Act §11 if more than 20 people are employed in a company. In the spirit of employee participation, all employee representatives of the Deka Group are represented on the ASA as members and thus contribute the issue-specific interests of the workforce. The ASA meets at least once a quarter and is tasked with discussing occupational health and safety and accident prevention issues.

All employees have the opportunity to take advantage of the medical examination by the company doctor, which focuses on prevention and health promotion. In addition, the company doctor carries out occupational health check-ups for all employees, which include determining the need for VDU glasses and refreshing travel medicine vaccinations. Deka Group managers at department head level and above have the opportunity to take advantage of a comprehensive preventive medical check-up every two years. In the year under review, demand for the annual flu vaccination remained at a high level. At 552, the number of flu vaccination doses used in 2021 was similar to that in 2020 (576).

All employees are obliged to complete an online course on central aspects of occupational health and safety every two years; managers also receive in-depth training. Work-related hazards and dangerous situations can be reported at any time to the direct manager, the staff representatives, the occupational safety team or the occupational safety specialist. In addition, the occupational safety specialist carries out random inspections to identify hazards in the Deka Group's workplaces. Any deficiencies identified are then rectified – where necessary, with the support of specialist units with joint responsibility, such as building management.

Systematic risk assessment is the purpose of the regularly conducted technical risk assessment of the Deka Group's buildings, the necessity of which arises from Section 5 of the Occupational Health and Safety Act. Finally, part of the risk assessment is the comprehensive analysis of occupational accidents with regard to circumstances that require a selective or overarching adjustment of occupational safety measures.

31 This does not apply to interns and working students.

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SICKNESS RATE OF ACTIVE EMPLOYEES (TABLE 18)

Deka Group in Germany	2017	2018	2019	2020	2021
Women	5.9%	5.7%	5.5%	4.3%	<b>4.0%</b>
Men	3.0%	3.3%	3.3%	2.5%	<b>2.3%</b>
<b>Sickness rate in total</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>3.2%</b>	<b>2.9%</b>

REPORTED INJURIES (TABLE 19)

Deka Group in Germany		2017	2018	2019	2020	2021
<b>Commuting accidents</b>		<b>20</b>	<b>18</b>	<b>24</b>	<b>9</b>	<b>11</b>
Principle causes are cycling accidents and injuries relating to black ice during the winter.	Location Frankfurt	15	14	24	9	8
	Leipzig	–	3	–	–	2
	Hamburg	–	1	–	–	–
	Sales force (east)	3	–	–	–	–
	Berlin	2	–	–	–	–
	Düsseldorf	–	–	–	–	1
<b>Work-related injuries</b>		<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>3</b>
	Location Frankfurt	3	6	7	6	3
	Leipzig	–	–	1	1	–
	Sales force (east)	–	1	–	2	–
	Hamburg	1	–	–	–	–
	Düsseldorf	1	–	–	–	–
	München	1	–	–	–	–

RATE OF DOCUMENTABLE WORK-RELATED INJURIES (TABLE 20)

Deka Group in Germany (Number per 1 million planned working hours)	2017	2018	2019	2020	2021
<b>Rate of injury</b>	1.11	1.08	1.11	1.20	<b>0.40</b>

### Measures to protect against the Corona pandemic

The Corona pandemic, which persisted in the year under review, posed a number of challenges for occupational health and safety. In order to protect the workforce from the virus and minimise the risk of infection, numerous countermeasures were taken, in particular the expansion of the possibility for mobile working as well as the implementation of the SARS-CoV-2 occupational health and safety standards required by the Federal Ministry of Labour and Social Affairs (Bundesministerium für Arbeit und Soziales, BMAS) at all locations. These were continuously adapted to the updated requirements in cooperation between several organisational units for the German sites. The updates were also confirmed by the company doctor on duty and the occupational safety specialist as part of an update of the "Corona risk assessment". Similarly, the site in Luxembourg underwent an audit by the Association pour la Santé au travail des secteurs Tertiaire et Financier (ASTF) and successfully had its compliance with the COVID-19 protective measures certified by both the company doctor and the occupational safety specialist. Part of the concept was the comprehensive information of the staff, e. g. via "Corona-FAQs" published on the Intranet, as well as the equipment of the staff with hygiene tools. As a result of the measures taken, there were only 158 confirmed cases of Corona among 4,622 employees in the Deka Group in the year under review, and as far as can be traced, the infection was almost exclusively attributable to contacts outside work.

In addition, the Deka Group made it possible for 1,100 employees and 400 relatives to receive Corona vaccination within eight weeks from June 2021. A special vaccination line was set up for this purpose at the site in Frankfurt-Niederrad. This was only possible thanks to the support of employees, who accompanied the vaccination campaign as helpers, as well as the company doctors of the Cardioangiologisches Centrum Bethanien (CCB). The Deka Group also cooperates with the CCB regarding the booster vaccination recommended by the Standing Committee on Vaccination (STIKO): Around 850 colleagues (incl. relatives) took advantage of the booster vaccination offer in December 2021.

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### 4.2.5.4. Mental health

In the year under review, the Deka Group again carried out surveys in various areas of the company in order to systematically evaluate psychological stress in the workplace and develop needs-based offers. As part of its training programme, the Deka Group offers employees and managers various seminars on dealing with stressful situations, such as the four-part lecture series "Stress Control". The training programme for all employees includes the seminars "Life balance/resilience", "Managing personal resources, coping with stress, maintaining performance", "Healthy and productive in the home office" and "Digital smartness – dealing with smartphones & co."

Employees and their relatives, who find themselves in a mental health crisis, can receive concrete support from external experts from the professional counselling service INSITE Interventions. As part of the Employee Assistance Programme (EAP), employees of the Deka Group also have the option of receiving counselling anonymously if they wish. The EAP also offers an expert service for managers, management advisers and members of the staff council or works council, as well as the equal opportunities representatives and the representative for the severely disabled. Especially in the case of serious illnesses, psychological support can be provided through the counselling service and a second or third opinion can be obtained through medical experts. In addition, INSITE endeavours to arrange appointments with specialists without long waiting times. In the year under review, the INSITE experts again held numerous counselling sessions with employees. Overall, around 7.1 percent of employees made use of this service in 2021 (2020: 7.1 percent). The utilisation rate is thus at the previous year's level. This stable value is evidence of a high level of awareness and shows that the counselling service is well established in the company. In the year under review, a number of digital events were organised to support employees in line with the current situation.

As part of occupational integration management (Betriebliches Eingliederungsmanagement, BEM), DekaBank provides support to employees returning to work after a prolonged or recurring illness. In personal discussions, which are voluntary for those affected, measures are identified that can help to overcome the illness and prevent renewed incapacity to work. In the year under review, a service and company agreement on occupational integration management was successfully negotiated and concluded with the employee representatives.

To support employees during the Corona pandemic, the Deka Group has published numerous newsletters on topics such as "childcare at home", "mental balance" and "good conflict management" with useful tips for mobile working.

In order to review and further develop the varied and high-quality health management offerings, DekaBank underwent a

comprehensive corporate health audit in the year under review, which was carried out by EUPD Research and Handelsblatt. The underlying quality standard enables a sound analysis and assessment of the management system across all sectors. At the end of the multi-stage audit, the initiators certified DekaBank as having an outstanding corporate health management system and awarded it the Seal of Excellence.

### 4.2.6. Remuneration

The Deka Group's remuneration system is based on the long-term corporate strategy and takes into account the relevant regulatory requirements. It is reviewed annually to ensure that it complies with regulations and, if necessary, adjusted to reflect the current regulatory requirements.

The remuneration of employees is based exclusively on function and performance and generally includes fixed and variable remuneration elements. Regular market comparisons ensure that remuneration is attractive and in line with the market. When granting benefits, the Deka Group generally does not differentiate between part-time and full-time employees.

The remuneration of permanent employees depends on their qualifications and tasks. In the pay scale area, remuneration is currently at least according to pay scale group 4 of the collective agreement for the private banking industry and public banks and ends accordingly with pay scale group 9. The remuneration of employees paid outside the pay scale is above pay scale group 9. The annual starting salary outside the pay scale is 10.4 percent above the salary of pay scale group 9 with eleven years of professional experience converted to twelve monthly salaries. The proportion of employees, who are paid outside of collective agreements, has increased to 68 percent in 2021 (2020: 67.4 percent).

DekaBank's primary objective is to ensure that all employees receive fair and non-discriminatory remuneration. DekaBank therefore supports the objectives of the "Act to Promote the Transparency of Remuneration Structures" (Entgelttransparenzgesetz). The Act improves the transparency of remuneration structures and thus aims to ensure the requirement of equal pay for women and men for the same work or work of equal value in practice. Based on this law, DekaBank informs its employees about what they earn compared to the peer group remuneration of the opposite sex.

The principle and objective of gender-neutral remuneration at DekaBank has also been reflected in the principles for determining salaries for many years. Salary determination and decisions on salary measures are based on several criteria: orientation towards internal remuneration levels, comparison with external market data and compliance with regulatory requirements. All of these criteria are gender-neutral.

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SALARY STRUCTURE OF ACTIVE EMPLOYEES (TABLE 21)

Deka Group in Germany (%)	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	female	male
Non-tariff (NT)	64.5	64.7	66.6	67.4	<b>68.0</b>	49.4	79.4
Tariff group (TG) total	35.5	35.3	33.4	32.6	<b>32.0</b>	50.6	20.6
TG 9	27.6	27.9	31.2	29.7	<b>29.4</b>	24.2	37.2
TG 8	22.4	22.5	20.0	21.4	<b>21.7</b>	22.6	20.5
TG 2 - 7	50.1	49.7	48.8	48.9	<b>48.9</b>	53.3	42.3

The variable remuneration is granted on the basis of performance. Both the performance of the individual employee and the success of the Deka Group are taken into account. An integral part of the assessment of employee performance is the evaluation of compliance with the rules of conduct defined in the Deka Group's Code of Ethics.

For employees, whose activities have a significant influence on the Deka Group's overall risk profile – so-called "risk-relevant employees" – part of the variable remuneration is subject to a multi-year assessment basis and risk- or performance-based payment system, the extended payment (deferrals), in accordance with regulatory requirements.

In accordance with the regulatory requirements for institutions and other subsidiaries of the Deka Group, variable remuneration may be granted up to a maximum of 100 percent of the fixed remuneration. In accordance with Section 25a (5) of the German Banking Act (Kreditwesengesetz, KWG), this upper limit for variable remuneration may be increased to 200 percent of the fixed remuneration by resolution of the shareholders. In the year under review, DekaBank did not make use of an increased upper limit for variable remuneration for members of the Board of Management or any other employees of DekaBank.

The Deka Group's remuneration system encourages adequate risk-taking behaviour and sanctions misconduct. Particularly relevant to the Deka Group's risk culture are those parts of remuneration that create incentives to take or avoid financial risks, such as bonus payments. With regard to the risk culture, the Deka Group aligns its remuneration policy so that it is in line with the risk profile of the institution or the Deka Group. The Board of Management and the management of the subsidiaries are responsible for, approve and monitor the remuneration policy. The Board of Management, the management of the subsidiaries and senior management ensure that the Deka Group's remuneration system promotes ethical conduct and compliance with the law, regulation and internal guidelines. In addition, variable remuneration is dependent on risk-adjusted key figures.

### Sustainability criteria in the Deka Group's remuneration system

Sustainability aspects are already anchored in various parts of the Deka Group's remuneration system. For example, sustainability is a component of the Deka Group's Code of Ethics and thus of the assessment of good conduct based on this code, which is incorporated into the annual performance assessment and consequently into the calculation of variable remuneration. The same applies to the efficient and careful use of resources. Aspects relevant to sustainability are anchored in the sales area on a selective basis, for example in the form of sales targets for sustainable investment products.

In the year under review, there was a need for further action to integrate sustainability aspects into remuneration on the basis of the Disclosure Regulation, which came into force in March 2021, and the requirements of the European Central Bank's (ECB) guidelines on dealing with climate and environmental risks. Section 5 of the Disclosure Regulation explicitly requires transparency of the remuneration policy in connection with the consideration of sustainability risks. DekaBank is implementing the corresponding requirements as part of a two-stage process. In a first step, the existing sustainability elements within the remuneration system are strengthened and managers are specifically made aware of the need to take these elements into account. In a second step, key figures for climate and environmental risks will be defined and remuneration practices to promote the achievement of targets will be derived from these.

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The remuneration policy is also designed to support the achievement of strategic business objectives and to promote incentives for responsible and risk-conscious business conduct among employees. The effectiveness and appropriateness of the remuneration systems are managed or monitored in the Deka Group by appropriate bodies and functions, such as the Administrative Board's Remuneration Control Committee, the Deka Group Remuneration Officer and the Deka Group Remuneration Committee. Fixed and variable remuneration are in appropriate proportion to each other. An appropriate relationship exists if, on the one hand, there is no significant dependence on the variable remuneration or negative incentives to take on disproportionately high-risk positions are avoided and, on the other hand, the variable remuneration can provide an effective incentive for behaviour.

The Deka Group's current risk situation is taken into account at various points in the remuneration process, such as the bonus pool calculation, compliance with the rules of conduct, the identification of risk-relevant employees and the remuneration parameters of the control units. In addition to the employer benefits regulated in the collective wage agreement, the Deka Group offers, among other things, capital-forming benefits and group and business travel accident insurance. Permanent employees receive a largely employer-funded company pension scheme (BVV). Details of pension obligations can be found in the consolidated financial statements.

The remuneration system for members of the Board of Management of DekaBank generally corresponds to the remuneration principles for employees of the Deka Group and also takes into account the special regulatory requirements applicable to risk-relevant employees. The aim of the Board of Management remuneration system is to comply with regulatory requirements as well as the principles of management remuneration of the Wittenberg Centre for Global Ethics. Detailed information is provided in the Deka Group's remuneration report. **CF.** [deka.de/deka-gruppe/investor-relations/publikationen-und-praesentationen](https://deka.de/deka-gruppe/investor-relations/publikationen-und-praesentationen)

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### 4.3. Social engagement

By promoting the common good, the Sparkassen-Finanzgruppe fulfils its public mandate to support and promote not only economic but also social development in Germany. As an institution of the Sparkassen-Finanzgruppe, DekaBank is also part of this long tradition of social responsibility. Out of conviction, it enters into long-term support partnerships and is involved in the areas of social welfare and sport, education and science, art, music and architecture. On the one hand, DekaBank supports renowned institutions at its corporate headquarters in Frankfurt am Main. On the other hand, it promotes projects in association with other institutions in the Sparkassen-Finanzgruppe, the implementation of which is only made possible by the merger. This engagement is complemented by the Deka Art Collection and the Historical Archive with "Dekarium".

#### 4.3.1. Goals and fields of action of social engagement

DekaBank's social commitment focuses on supporting the socially important work of universities, museums, welfare institutions and other organisations. The central aim is to ensure that their diverse offerings are open to society. The partnerships are designed to be long-term and are characterised by intensive cooperation and exchange. DekaBank focuses on the following areas:

1. In the area of education and science, the Deka Group aims to link science and practice by supporting academic institutions and endowed chairs, thereby facilitating a productive exchange of knowledge. One example of this is IQAM Research, the private institute for quantitative capital market research. The collaborations enable DekaBank to set practical research priorities and thus provide impetus for the further anchoring of relevant topics in the financial market, particularly those related to sustainability. In addition, in the contact with academics and students, DekaBank can present itself as an attractive employer and attract qualified junior staff.
2. In the area of art, music and architecture, DekaBank promotes a diverse range of offerings and thus enables visitors to exhibitions and concerts at various levels to actively engage with very different cultural developments that shape society. The programme is also explicitly aimed at employees, who are often given special opportunities to take part in cultural activities. With the International Highrise Award (IHP), DekaBank provides impetus for sustainable building in the future.
3. In the social sector, DekaBank's support enables cooperation partners to offer their services to economically and socially disadvantaged groups of the population, particularly children and young people, on a permanent basis, thereby improving their living and educational opportunities and enabling them to participate in society. DekaBank is currently focusing its engagement in this area on supporting the Freundeskreis der Arche Frankfurt am Main.

Social projects are also a focus of the two campaigns "Deka – Making a local commitment!" and "Restcent". They involve the Deka Group's employees extensively or are even largely supported by their engagement. This means that, in addition to the social purpose, the loyalty and motivation of the workforce is also very important. Because "Deka – Making a local commitment!" often supports organisations, in which employees themselves are involved, the campaign also reflects DekaBank's appreciation of the voluntary work of its employees.

4. More than almost any other area of society, sport stands for social integration. With DekaBank's involvement in the area of sport, the Sparkassen-Finanzgruppe therefore not only supports top-level sport in the German Olympic Sports Association and the German Disabled Sports Association, but also takes up the extensive local and regional sport commitments of the savings banks to promote mass sport in Germany.

DekaBank identifies with sporting values and the Olympic and Paralympic spirit. DekaBank's support for a charity golf tournament series in aid of German Cancer Aid (Deutsche Krebshilfe, DKH) shows how sport can be combined with social commitment.

5. Social engagement is complemented by the Deka Art Collection and the Historical Archive, which makes the history of DekaBank and its predecessor institutions accessible and places them in their historical social context. The "Dekarium", an interactive exhibition in the Trianon, brings this knowledge to life for members of the Sparkassen-Finanzgruppe and employees of the Deka Group.

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### KEY FIGURES OF THE SOCIAL ENGAGEMENT (TABLE 22)



154,633 Euro

Deka funds for **education and science** in 2021



423,784 Euro

Deka funds for **culture** in 2021



1,231,147 Euro

Deka funds for **social engagement** in 2021



239,433 Euro

Deka funds for **sports** in 2021

Total commitment (Euro)	2017	2018	2019	2020	2021
Social engagement and sports	425,290.91	536,175.09	408,600.00	373,097.95	1,470,580.15
of which social					1,231,146.88
Education and science	473,698.00	497,284.00	441,285.85	366,684.00	154,633.25
Culture	522,500.00	617,155.60	478,850.00	473,072.00	423,783.59
Environment					32,464.00
Miscellaneous	106,260.84	78,678.84	10,802.00	70,350.00	2,750.00
<b>Total</b>	<b>1,528,019.75</b>	<b>1,729,293.53</b>	<b>1,339,537.85</b>	<b>1,283,203.95</b>	<b>2,084,210.99</b>
<b>Structure of funding (Euro)</b>					
Donations	874,166.05	905,126.04	815,005.84	719,310.00	1,538,532.88
Sponsoring	653,853.70	824,167.49	524,532.01	563,893.95	545,678.11

### 4.3.2. Focal points of the year under review

#### Education and science

Following a realignment of science promotion, the focus in this field of action has been on the Sparkassen-Finanzgruppe's School of Finance & Management in Bonn since 2021. It is the central educational service provider of the Sparkassen-Finanzgruppe: Here, high-ranking academics and practitioners train the next generation of managers in accordance with the standards and value system of the Sparkassen-Finanzgruppe.

In addition to the "Banking Regulation" endowed chair, which has been funded since 2020 and is held by Prof. Dr. Anja Schulz, it was decided in the year under review to establish another endowed chair. The "Endowed Chair for Asset Management with a Focus on Digitalisation, Sustainability and Demography" is intended to contribute to the further development of research-based asset management in the Sparkassen-Finanzgruppe in the future. The chair will form a new focus in the university's teaching that is in line with DekaBank's business strategy. The aim is to address practical issues in a scientifically sound manner and to help improve service quality and customer satisfaction in asset management.

#### Art, music and architecture

The Corona pandemic was also associated with severe restrictions for cultural institutions and cultural workers in the year under review. Since visiting exhibitions and concerts in person was not possible for a long time, or only with re-

strictions, numerous activities were carried out digitally. For example, the National Youth Orchestra (Bundesjugendorchester), the German Architecture Museum (Deutsches Architekturmuseum) and the Museum of Modern Art Frankfurt am Main presented their work to Deka Group employees in digital talks. The campaign "Kunst privat! Hessische Unternehmen zeigen ihre Kunstsammlungen" [Art in private! Hessian companies show their art collections] campaign, in which DekaBank also participated with its art collection, took place as a social media campaign on Instagram, Twitter and Facebook in the year under review.

#### Social

With income losses due to short-time work, homeschooling with insufficient technical equipment and in cramped spatial conditions, as well as other effects, the Corona pandemic has hit economically weaker families in particular. It was therefore all the more important to continue to offer affected children and young people in particular a permanent contact point and support, e. g. also in the form of equipping them with laptops as a prerequisite for participating in digital school lessons. The Christian children's and youth organisation "Die Arche e. V." operates a total of five branches in Frankfurt, where around 400 children and young people can be cared for and looked after every day. In the year under review, the premises at one of the locations were expanded so that, in addition to children up to the age of twelve, young people from the age of 13 now also have a place to go, which provides extended school care.

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FIELDS OF ACTION AND PARTNERS IN SOCIAL ENGAGEMENT (TABLE 23)

Fields of action	Partnership of DekaBank or partnership together with institutions of the Sparkassen-Finanzgruppe (SFG)	Start of support
<b>Education and science</b>		
School of Finance and Management	DekaBank	2020
IQAM Research: Private institute for quantitative capital market research	DekaBank	2013 (foundation)
Stock exchange simulation game	SFG	2014
<b>Art</b>		
Museum of Modern Art Frankfurt am Main	DekaBank	2002
Dresden State Art Collections	SFG	2006
<b>Music</b>		
Federal Youth Orchestra	DekaBank	2018
Schleswig-Holstein Music Festival	SFG	2020
<b>Architecture</b>		
International Highrise Award (IHP)	DekaBank	2004 (foundation)
<b>Social affairs and sport</b>		
Freundeskreis der Arche Frankfurt am Main e. V.	DekaBank	2008
Deka – Making a local commitment!	DekaBank	2007 (foundation)
German Cancer Aid and German Childhood Cancer Aid	DekaBank	2001
German Olympic Sports Association and German Disabled Sports Association	SFG	2008/2013
<b>Restcent, employee action (foundation 2016)</b>		
<b>Deka Art Collection (development since 2003)</b>		
<b>Historical Archive and Dekarium (development of the archive since 2003; opening of the Dekarium in 2018)</b>		

### 4.3.3. Donations

#### 4.3.3.1. Donations by the Deka Group

In the year under review, the Deka Group donated a total of Euro 1,538,532.88 (2020: Euro 719,310) (see TABLE 22). The two largest individual donations were made in response to the floods in North Rhine-Westphalia and Rhineland-Palatinate. Euro 500,000 each went to donation accounts of the Rhineland Savings Banks and Giro Association with the Savings Banks Association of Westphalia-Lippe and the Savings Banks Association of Rhineland-Palatinate. Together with the local savings banks, the regional associations took over the distribution of the incoming donations to the people and businesses in need. Another 10,000 euros went to the association "Metternich Hilft e. V.", which supports victims of the flood disaster in the village of Metternich in the district of Euskirchen. Larger donations of the total 81 individual grants also went to the "Freundeskreis der Arche Frankfurt am Main e. V." and the "Stiftung Bundesjugendorchester". Environmental protection is also increasingly becoming the focus of donations: among others, donations were made to the Berlin Senate Department for the Environment, Transport and Climate Protection to plant new trees in cities.

As a matter of principle, the Deka Group makes donations to charitable institutions that are entitled to issue tax-deductible donation receipts. Many of the above-mentioned long-standing partners receive the funding amount as a donation. Donations to political parties, political foundations, employers' associations or trade unions are excluded as a matter of principle and were not made in the year under review. Requests for donations to the Deka Group are processed by the Sustainability Management Department and recorded in DekaBank's central donations register. The Finance, Compliance and Tax departments can inspect the donations register at any time. The allocation of donations by the Deka Group is governed by the "Donation Management" instruction. The aim of the instruction is to ensure transparent and secure rules for the allocation of donations. The instruction was revised in the year under review with regard to the allocation of donations, responsibilities, the regulation of competences and process responsibility.

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### 4.3.3.2. Deka employees get involved

In the course of the campaign "Deka – Making a local commitment! 2021" campaign, further donations were made in the year under review. 25 institutions that are particularly close to the hearts of employees or in which they themselves are involved received a donation of 1,000 euros each. Another 5,000 euros were made available specifically for projects and initiatives on the topic of "Environment & Nature Conservation".

In addition, the "Restcent" campaign was continued in the year under review. Here, employees of the Deka Group can donate the cent amounts of their monthly remuneration. DekaBank ensures the organisational implementation of the donation. At the end of the year, the total amount is donated to a charitable organisation chosen by the employees each year. In the year under review, "Hand-in-Hand für schwerst- und krebskranke Kinder e. V." from Altenstadt was chosen. An average of 1,326 employees took part in 2021 and raised a donation of 7,611.49 euros. Because this campaign is a private commitment by employees, this amount is not included in the Deka Group's total donations.

# Sustainability in customer advisory services

Although sustainable investment has become more prominent in the public eye, particularly in the last two years, partly due to much more extensive media coverage, a fairly high proportion of Germans are unaware of this form of investment. In the Deka-Anlegermonitor – a representative survey of just under 4,500 German citizens aged between 18 and 75 conducted on behalf of DekaBank in June and July 2021 – around a third of respondents said they had never heard of sustainable investment. Only about 37 percent of the respondents feel sufficiently informed about the topic of sustainable investment according to their own statements.

In order to sensitise private investors in particular to sustainable investment and thus to direct their capital into sustainable investments, the EU Commission has decided to introduce an "ESG preference query" as part of the EU Action Plan for Financing Sustainable Growth. From 2 August 2022 onwards, advisors in banks and savings banks will be required by regulation to ask their customer not only about their investment goals and risk tolerance, but also whether and to what extent they want to take sustainability-related criteria into account in their investments. The EU Commission expects this to lead to a further increase in awareness of this form of investment and, as a result, a significant increase in sustainably invested capital.

Since the plans for the introduction of the ESG preference query became concrete, the banks and savings banks have been intensively dealing with the consequences that result from a corresponding preference of the investors. Thus, the savings banks want to offer their customers, who answer this question with "yes", not only competent advice on all facets of sustainable capital investment, but also a wide range of different investment options that meet the quite different expectations of investors for a sustainable investment product. By consistently creating these preconditions, the savings banks were able to integrate the ESG preference query into the advisory talks as early as the spring of the year under review.

As the Wertpapierhaus for the savings banks, DekaBank has provided its partners with comprehensive support in implementing the regulatory requirements at an early stage. On the one hand, it has significantly expanded its range of sustainable investment solutions in recent years and now offers investors a large number of funds, ETFs and certificates with different sustainability concepts (**CF. CHAPTER 4.1.1.**). On the other hand, it has significantly expanded its range of information on sustainable investment – both for investors and for the savings banks and their advisors.

In addition to the information provided on DekaBank's website (<https://www.deka.de/privatkunden/produkte/fonds/nachhaltigkeitsfonds>), the "Zukunftsinitiative Sinnvestieren" launched at the end of 2020 is aimed directly at investors. Its aim is to inform and educate investors comprehensively about the principles and opportunities of sustainable capital investment. The website [www.sinnvestoren.de](http://www.sinnvestoren.de), which was specially designed for the initiative, provides investors with comprehensive information on sustainable investment and the various options DekaBank offers investors for making financial provision, while at the same time having a positive impact on the climate, the environment and society. Finally, the Deka Investor Academy also offers basic knowledge on all relevant aspects of investment. Whether it is about specific investment goals, funds, certificates or general financial terms, DekaBank has compiled compact presentations with infographics and explanatory films on numerous topics as part of its Investor Academy on the microsite [deka.de/privatkunden/service/anlegerakademie](http://deka.de/privatkunden/service/anlegerakademie). A quiz offers the opportunity to test one's own level of knowledge.

DekaBank has designed a whole range of measures specifically for advisers in the savings banks to support them in advising on sustainable investment solutions. In addition to detailed information and self-learning materials, this also includes web-based trainings (WBT), in which both the basics of sustainable investment and the specifics of the individual sustainable investment products were taught. Here, too, what was learned was checked in final tests.

## Conclusion

As both DekaBank and the savings banks have been working intensively on sustainable capital investment for some time, they were able to build on extensive preparatory work when implementing the ESG preference query. This made it possible to implement the regulatory requirements more than a year before they came into force. If investors answer the question with "yes", they already receive competent advice and a wide range of sustainable investment products at their savings bank. The survey conducted by imug Beratungsgesellschaft in the year under review shows that this high level of commitment is worthwhile: Of the total of 2,020 savings bank customers surveyed, 78 percent said they were very satisfied or satisfied with the securities advisory service.

## G – Governance

### 5. Sustainable corporate governance

In its Sustainable Finance Strategy published in the year under review, the Federal Government of Germany defined a total of five goals, the achievement of which is intended to develop Germany into a globally leading sustainable finance location. While Goal 2 "Seize opportunities, finance transformation, anchor sustainability impact" is aimed at redirecting capital into sustainable investments, which is also the goal of the EU Commission, and thus also at the corresponding product offering, Goal 3 "Improve risk management in the financial industry in a targeted manner and ensure financial market stability" relates directly to the governance structures and processes of banks. DekaBank has already begun to systematically integrate sustainability risks into its risk management on the basis of the BaFin fact sheet on dealing with sustainability risks published in 2019 and the ECB's guideline on climate and environmental risks. In the year under review, a structured business environment analysis and a risk inventory on climate and environmental risks were carried out in this context.

#### 5.1. Regulations and standards

##### 5.1.1. Code of Ethics

The Deka Group's Code of Ethics serves as a binding orientation framework for the ethically and morally correct conduct and actions of employees, managers, members of the Board of Management and third parties acting on behalf of the Deka Group. The current version of the code is available on the Deka Group's website.

The preamble of the Code of Ethics stipulates that a joint review between the manager and the employees is carried out within the framework of the appraisal interview to determine whether conduct is in line with the Code of Ethics. For this purpose, the module "Assessment of good conduct according to the Code of Ethics" was integrated into the annual performance evaluation, which in turn flows into the calculation of the variable remuneration. Particularly serious violations of the Code of Ethics can lead to measures under labour law, civil and criminal proceedings, and even termination of the contractual relationship.

##### 5.1.2. External regulations and standards

In addition to internal conduct guidelines, recognition of national and international standards also underlines the Deka Group's commitment to sustainable development. This includes signing the UN Global Compact and the associated commitment to implementing ten principles of responsible corporate governance. They relate to the subject areas of human and labour rights, environmental protection and anti-corruption, and thus to the aspects that are also defined as relevant in the CSR-RUG. This Sustainability Report fulfils DekaBank's obligation to report on the progress made in implementing the ten principles.

DekaBank has also committed to complying with the Equator Principles (EP), which focus on taking social and environmental standards into account in international project financing. In 2021, DekaBank supported a total of 4 (2020: 6) financings under the EP requirements. Two projects were assigned to category B (limited social and environmental impact) and two projects to category C (projects with minimal or no adverse environmental and social risks and/or impacts) (2019: 3 in category B, 3 in category A). DekaBank reports annually on the implementation of the principles in the relevant financings in accordance with the EP provisions. The corresponding report is published on the EP website. Further information on the consideration of sustainability criteria in lending business is provided in CHAPTER 4.1.2.

The signatories of the PRI undertake to comply with a total of six principles for responsible investment. These include, among other things, the inclusion of ESG issues in the analysis and decision-making processes in the investment area, the consideration of ESG criteria as part of active ownership, and regular reporting on the measures taken to implement the principles as part of the Transparency Report, which is available on the PRI website. Beginning with the reporting for 2020, signatories to the PRI, such as Deka Investment GmbH, will for the first time be required to report on climate change-related indicators as part of their Transparency Report. The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) form the basis for this reporting. Exceptions apply to institutions that – like DekaBank – have joined the PRI in 2020 (**CF. CHAPTER 4.1.2.1.3.**). In principle, they would be obliged to publish a corresponding Transparency Report for the first time in 2022 – for the 2021 year under review. Since the PRI has comprehensively updated the reporting framework and there are therefore delays in the processing of reports submitted by

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signatories, the PRI has postponed the start of the next reporting period to 2023. Signatories can then decide whether to report on the 2021 or 2022 year under review.

### 5.2. Compliance and taxes

#### 5.2.1. Compliance

Compliance plays a key role in ensuring that the Deka Group acts in accordance with the applicable statutory and regulatory provisions. The Compliance corporate centre combines the areas of capital market and real estate compliance, the financial crime unit and corporate compliance. The Central Financial Crime Unit is responsible for combating money laundering, countering terrorist financing, fraud prevention measures, combating criminal offences and corruption, as well as implementing financial sanctions and embargoes.

The Compliance corporate centre develops group-wide standards and guidelines for the Deka Group in the areas, for which it is responsible, on the basis of applicable statutory and regulatory requirements. It also supports DekaBank's organisational units and the subsidiaries concerned with appropriate training and advice on the implementation, enforcement and further development of regulatory provisions. In addition, the unit is involved in projects and processes – in particular new product/market processes, product approval processes, significant changes to the operational and organisational structure, projects and outsourcing – and, as part of its duties, works to ensure that the Deka Group complies with regulatory requirements and identifies any conflicts of interest at an early stage, avoids or manages them where possible or discloses them as a last resort.

To comply with the applicable legal and regulatory requirements, procedures and controls are implemented in the specialist units, as well as in the Compliance unit itself. They are used to identify and manage compliance risks as well as to prevent and detect irregularities and are an integral part of the Deka Group's compliance management system. In order to identify potential compliance risks and work towards reducing them with appropriate measures, the unit carries out monitoring and control tasks as a second line of defence in the so-called "3 Lines of Defence Model (3LoD)".

When identifying and assessing compliance risks, risks resulting from sustainability aspects are also taken into account by the Compliance corporate centre. The Deka Group defines sustainability risks as part of its risk universe, which are always viewed in the context of the other risk types due to their respective impact and do not constitute separate risk types. Insofar as sustainability risks must be taken into account in the Deka Group's products and services due to legal or regulatory requirements, they are also taken into account and reviewed in compliance monitoring activities, controls, advice and training.

In this way, the Compliance corporate centre also implements the regulatory tasks specified for a compliance function with regard to the sustainability requirements. CF. CHAPTER 5.3.

The Corona pandemic, which continued into 2021, and the associated relocation of activities to the home office had no impact on the functionality and therefore the work results of the Compliance corporate centre. At the same time, the Compliance corporate centre actively monitored the changes to processes within the Deka Group triggered by the pandemic and its consequences and evaluated, consolidated and tracked relevant documentation on changes across the board, as well as verified compliance with them. In the process, on-site audits were replaced by appropriate technical alternatives. A review of the relocation of sensitive employee activities to the home office did not give rise to any objections. The gradual return to the regular processes is accompanied by Compliance.

#### Consulting and training

The application and implementation of regulations and processes to comply with legal and regulatory requirements often starts with the individual employees. In order to inform them about the aspects that are relevant to them, the experts in the Compliance unit regularly conduct mandatory training sessions throughout the Deka Group on the topics, for which they are responsible. The training concept is based on a combination of classroom training with web-based training, special training and training letters. Ad-hoc training courses on selected topics are also offered as needed. In the year under review, classroom training was replaced by virtual formats.

As in previous years, all new employees completed an initial training course on compliance in the year under review. In addition, all employees are required to complete web-based training on the topics of money laundering prevention, fraud prevention, financial sanctions/embargoes, capital market compliance and risk culture at prescribed intervals. A total of 67 trainings – including web-based trainings (WBT) – on compliance topics were conducted in the year under review.

#### Combating fraud, corruption and bribery

DekaBank has set out the key elements and principles, including the associated processes and measures, for an effective fraud prevention system to prevent criminal acts that could endanger the assets of the DekaBank or the individual companies in a uniform manner in the Deka Group's fraud prevention system.

In addition, in connection with the fight against corruption for 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 extended, have been defined. The approval process is binding for all employees, including the Board of Management.

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As a matter of principle, employees may not request or accept or grant gifts or invitations in connection with their work, either for themselves or for third parties, insofar as this could adversely affect the interests of the Deka Group or its customers. Provided it complies with the applicable laws and standards, the granting of gifts and invitations is, to a certain extent, compatible with standard market practice. However, as the professional independence of all parties involved may be called into question here, employees are required to avoid even the mere appearance of conflicts of interest.

The experts in the Compliance unit are available to all employees as contact persons for questions on integrity issues. Their contact details are communicated to employees when they join the company as part of the induction training for new employees and are accessible on the Intranet at all times.

The Deka Group's risk of corruption is regularly surveyed and assessed as part of the Fraud Prevention Forum. The overall assessment continues to show a low risk. In 2021, there was no information that employees were under investigation by the criminal prosecution authorities for corruption offences.

### Prevention of money laundering and terrorist financing

Through the "Group-wide minimum standards for the prevention of money laundering and terrorist financing", DekaBank, as the parent company, defines the obligations to be complied with within the meaning of the German Money Laundering Act (GwG) and the German Banking Act (KWG) on the basis of the annual risk analysis. This ensures transparency regarding customers and the underlying shareholder structure in Germany as well as in the subsidiaries. The Deka Group's overall risk with regard to money laundering and terrorist financing has been classified as low based on the annual risk analysis.

In the year under review, the Deka Group integrated new requirements arising from the amendment to the criminal offence of money laundering (Section 261 of the German Criminal Code) into its processes and procedures. Of particular note is the introduction of an all-crime approach, whereby all criminal offences are included as suitable predicate offences for money laundering. The implementation of a technical solution for monitoring sanctions on assets was already started in the year under review.

### Whistleblower system

The Deka Group's compliance system includes a whistleblower system. This ensures that information from employees and external persons about potential and actual breaches of key legal regulations and requirements, in particular the Money Laundering Act, as well as illegal or dishonest actions, can be reported in confidence to DekaBank's external ombudsman. The ombudsman examines the facts of the case and forwards the relevant information to DekaBank while maintaining confiden-

tiality. As a lawyer, he is subject to the lawyer's duty of confidentiality. The whistleblower system thus ensures the anonymity and protection of whistleblowers.

### 5.2.2. Taxes

Taxes are a state's most important source of revenue for the fulfilment of its sovereign tasks, especially the comprehensive provision of services of general interest for its citizens. Taxes thus also serve to fulfil the tasks associated with the sustainable development of states, as defined, for example, in the Sustainable Development Goals (SDGs) of the United Nations. For the Deka Group, these form an important reference for the orientation of its sustainability-related goals and measures.

Against this backdrop, as part of the Sparkassen-Finanzgruppe with its public-law sponsorship, the Deka Group takes full account of the applicable tax law requirements in all relevant business activities and in all its companies. Wherever it operates, the Deka Group complies with the applicable tax laws and regulations in relation to its own tax liabilities and all banking services and products offered. The Deka Group communicates actively, transparently and constructively with the relevant tax authorities as and when required.

Tax evasion is illegal and contrary to the Deka Group's corporate culture, values and beliefs. DekaBank and the operating subsidiaries have appointed a Tax Compliance Officer, Eva Krippendorf, who also performs the function for the non-operating companies; the basis for this is the agency agreement between DekaBank and the respective company. The independence of the Tax Compliance Officer is ensured by the direct reporting line to the Board of Management or the management of the respective company within the Deka Group. The latter is informed of the relevant issues in regular exchanges with the Tax Compliance Officer and in quarterly reports as part of the compliance report. The compliance report is also presented to the Audit Committee of the Administrative Board of DekaBank.

In 2021, a Tax Compliance Management System (Tax CMS) was implemented for the Deka Group, which was certified by an external auditor in accordance with the principles of proper auditing of compliance management systems of the Institute of Public Auditors in Germany (IDW PS 980). The initial audit of the effectiveness of the Tax CMS is planned for 2022. A key component of the Tax CMS is the tax guideline, which is binding for the Deka Group and is structured according to the seven basic elements of the Tax CMS in accordance with IDW PS 980.

One of these basic elements is the tax compliance culture, under which the Deka Group undertakes not to engage in aggressive tax planning or artificial, abusive tax structuring without reference to actual economic performance.

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This applies both to tax positions within the Deka Group itself and to its products and services. To this end, the Tax Policy contains binding rules that apply to all employees of the Deka Group. The main objective of the Tax CMS is to implement and maintain tax processes that fully comply with legal requirements in order to avert any tax liability risks. This also includes the implementation of appropriate practices for the prevention, identification and investigation of tax risks (Tax CMS as part of the 3 Lines of Defence approach).

The views and concerns of stakeholders are of particular importance to the Deka Group and are firmly anchored in the Code of Ethics, among other things, which thus also has an indirect impact on tax matters. In addition, DekaBank is in close direct professional contact with the tax authorities, the Hessian Ministry of Finance (HMdF) and the Federal Ministry of Finance (BMF) on tax issues. DekaBank can indirectly express its position on certain tax issues via the associations, e.g. DSGV, BVI, Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands – VÖB) and German Derivatives Association (Deutscher Derivate Verband – DDV). Further professional exchanges on DekaBank's tax issues can take place through the Bank's own statements, contributions and participation in the associations' working groups, particularly if DekaBank and/or its stakeholders could be affected by the tax law changes or their interpretation.

The Deka Group is committed to complete, accurate and timely tax reporting to meet external reporting obligations. This includes, among other things, the publication of tax information in the IFRS consolidated financial statements, which contain the information on income taxes, as well as country-by-country reporting. The documents are published regularly on DekaBank's website. The tax burden published in the IFRS consolidated financial statements is regularly higher than the standard tax rate. The increased tax burden is due in particular to the non-deductibility of the German bank levy. This effect is partially offset by the application of the lower tax rate at the Luxembourg companies. In this respect, the IFRS consolidated financial statements also show no evidence of tax savings.

Services within the DekaBank Group are generally charged according to their cause using the cost-plus method, whereby the specific profit mark-up is determined by the Tax department. In justified exceptional cases, the cost-plus method is deviated from in favour of the profit split method. In all of its decisions, the Tax department is guided by the internationally applicable transfer pricing rules and strives for methodologically correctly derived and, in the end, appropriate transfer prices that meet with acceptance in all of the participating jurisdictions. In Germany, transfer prices are reviewed annually as part of the timely tax audit, regularly represented by the Federal Central Tax Office.

### 5.3. Risk management

In line with regulatory expectations, the Deka Group sees sustainability risks as a relevant risk, but not one that is considered independently. Sustainability risks are drivers of existing risk types and are mapped in a cross-sectional assessment for both "financial" and "non-financial" risks (NFR). Accordingly, sustainability aspects are to be taken into account in the corresponding risk management processes of the risk types concerned.

#### Risk inventory

In connection with the ECB guidelines on climate and environmental risks published in November 2020, the classification of sustainability risks in the Deka Group's risk taxonomy was again sharpened and a systematic survey of the climate and environmental risks that are significant for the Deka Group was carried out as part of the risk inventory. Due to the overall economic significance and the supervisory focus, the survey focused on climate and environmental risks as part of sustainability risks. A distinction was made between physical and transitory risks as well as between direct and indirect effects. While physical risks describe negative impacts due to acute and chronic natural disasters, transitory risks initially include in particular impacts of, for example, regulatory requirements in connection with the transformation to a CO<sub>2</sub>-neutral economy. The effects of climate and environmental risks can affect the bank directly through its own business operations, e. g. flooding of bank buildings, or indirectly through the loan portfolio and service providers.

The significance of the risks was determined in two steps. First, the business areas were identified, for which the low materiality of the risks indicates that they are not significantly affected by climate and environmental risks. For the remaining units, an expert-based assessment of the significance of climate and environmental risks per business area and risk type was made in a second step. This assessment was made on the basis of the information currently available, in particular the sector distribution, residual terms, liquidity and mitigating factors. The result of the risk inventory shows that sustainability risks as a whole, but especially climate and environmental risks for the current portfolio, do not currently represent significant drivers with a major impact on the existing risk types in the short- and medium-term perspective. The results of the risk inventory form the basis for the further development of the downstream risk management instruments as documented in the (overarching) risk strategy and the sub-risk strategies.

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### Other instruments in the context of climate and environmental risks

A structured business environment analysis was carried out to create transparency regarding changes in the business environment driven by climate and environmental risks and their impact on the Deka Group's business model and product segments over various time horizons. The factors taken as a basis for this included the competitive environment, politics and legislation as well as technological and social trends.

In coordination with ongoing measures to implement the "Guidelines on loan origination and monitoring" of the European Banking Authority (EBA), ESG scorecards were developed for all financing segments and integrated into the existing lending process. These serve, among other things, the initial development of a data basis in order to derive target-oriented measures for the management of climate and environmental risks in the financing portfolio. **CF. CHAPTER 4.1.2.**

The further development of the internal stress testing programme is ongoing and already takes into account the methodology and requirements of the European Central Bank (ECB) climate stress test announced for the beginning of 2022. The purpose of the SSM<sup>32</sup>-wide stress test is to identify vulnerabilities, best practices and challenges related to climate-related risks.

Further group-wide project activities aimed at gradually meeting regulatory expectations on climate and environmental risks are planned for the coming years. These include, in particular, the refinement of the business environment and risk driver analysis, the development of Deka-specific sustainability indicators, primarily in the form of Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs), and the further development of internal and external reporting.

### Dealing with sustainability-related reputational risks

The interdependencies of sustainability risks in the context of reputational risks are taken into account through proactive reputation management. In order to effectively and consistently address reputational risks, the Deka Group has established a uniform group-wide methodology and governance for managing reputational risks in connection with its business activities. In this context, sustainability-driven aspects are taken into account as part of the risk inventory and business processes. Within the framework of the "3 Lines of Defence Model", the 1LoD – in the case of counterparty risks with the involvement of the 2LoD in the back-office function – identifies the reputational risk inherent in the activities, for which it is responsible and makes an initial assessment. Above a defined risk level, a business activity may no longer be approved on its own authority. If the 1LoD continues to adhere to its

plan, the 2LoD, in this case the reputation management function, must conduct an independent second assessment of the business activity; if this confirms a significantly increased criticality from the Deka Group's point of view, the final approval authority lies with the Board of Management.

The reputation management mandate for the independent second assessment is carried out under the joint responsibility of the Risk Control unit and Board Staff & Communications in the Reputational Risk Task Force. Its aim is to assess the short-to medium-term consequences of a particular activity for the Deka Group's reputation vis-à-vis its stakeholders as objectively and realistically as possible; the assessment framework for the vote is provided by the company's business and risk strategy.

It remains the case that all issues or changes to issues as well as methodological questions that could have a significant impact on the Deka Group's current or future overall risk profile and/or earnings situation are discussed in depth by the Risk Management Committee and reported to the Board of Management and the relevant supervisory bodies.

## 5.4. Data protection and information security

### 5.4.1. Data protection

#### Basics and organisation

DekaBank's Data Protection unit works to ensure that the data protection regulations of the General Data Protection Regulation (GDPR) and the Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) as well as other data protection-related regulations are complied with in the Deka Group. The unit is organisationally located in the Information Security Management Department and, in addition to the Data Protection Officer and his/her deputy, consists of five other employees. The Data Protection Officers are appointed for DekaBank and its domestic subsidiaries – with the exception of the subsidiary S Broker AG & Co. KG, which has its own Data Protection Officer. There is a regular exchange with the Data Protection Officer of S Broker AG & Co. KG to ensure a uniform level of data protection. The Data Protection Officers are not subject to instructions in the fulfilment of their duties under Article 39 of the GDPR and have a direct reporting line to the Board of Management or the management of the German subsidiaries.

The purpose of the GDPR and the BDSG is to protect individuals from having their constitutionally protected personal rights impaired by the handling of their personal data. The implementation of the requirements of the GDPR and the BDSG is carried out by a data protection management system. This defines, among other things, processes that ensure that the legal requirements of data protection are implemented during the

<sup>32</sup> Single Supervisory Mechanism (SSM): Single supervisory mechanism consisting of the ECB and the national supervisory authorities.

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planning, installation, operation and after decommissioning of the processing. The processes are documented in a comprehensive data protection concept. This describes, among other things, the aspects that must be taken into account when processing personal data. This includes, in particular, the protection of data subjects' rights and the fulfilment of the duty to inform customers and employees. In order to be able to react quickly to changes in the regulatory requirements for data protection management, the relevant developments are systematically monitored. In addition, a data protection management tool (DSMS) was introduced on 15 December 2021 to support operational activities. The transfer of the data protection management system to DekaBank's foreign locations is currently being examined and planned, considering the relevant national legal standards.

### Raising awareness and informing employees

One of the tasks of data protection is to make employees aware of data protection issues and to provide them with the relevant information on the topic of data protection. This includes, on the one hand, fulfilling the information obligations according to Art. 13 and Art. 14 of the GDPR in order to inform employees about whether and how their personal data is processed. On the other hand, employees must be made aware of the most important data protection requirements, for example, by explaining the data security measures to avoid actions that jeopardise security.

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 aim and content of the data protection regulations. In this context, the employees of the Deka Group are obligated in writing to maintain confidentiality in accordance with the GDPR.

They must also be informed about their rights and obligations as persons acting in data protection as well as about the risks for the company and for themselves associated with a breach of the applicable provisions. This also includes information about possible sanctions as a consequence of violations of data protection and data security compliance measures.

In recent years, the web-based training (WBT) has proven to be particularly efficient. Employees can use it to complete the training on data protection at their own PC workstation. After successful completion, a certificate of participation is automatically generated, which serves as proof of the training. All employees are regularly asked to familiarise themselves with the principles of data protection with the help of the WBT programme. To ensure continued awareness, all employees are required to attend an annual follow-up training session. In addition, data protection coordinators have been established to act as an interface to support the departments in implementing data protection requirements by passing on information quickly and in a targeted manner.

### Audits and reporting

In accordance with Article 39 (1) (b) GDPR, the Data Protection Officer is responsible for monitoring compliance with the data protection regulations of the GDPR and BDSG as well as other data protection-related regulations within the Deka Group. This is done, among other things, through monitoring activities in the specialist units. To ensure compliance with data protection regulations, the Data Protection unit has drawn up a control universe and a multi-year audit plan based on the risks of the processing activities. In 2021, the monitoring activities were properly carried out in accordance with the multi-year plan. The results are made transparent to the specialised units and, where necessary, remedial actions are agreed and followed up.

Within the framework of an established reporting system, the Board of Management and the respective management of the subordinate companies are informed about identified data protection deficiencies and risks as well as about the results of data protection audits. In addition, there is a regular meeting with the chief risk officer to discuss current data protection issues.

### 5.4.2. Information security

#### Information security management in accordance with ISO 27001

DekaBank's Information Security Management System (ISMS) comprises guidelines, structures and processes as well as technical functions designed to ensure appropriate handling of information risks. DekaBank's aim is to protect the bank and its customers and partners from information risks while ensuring the protection objectives of confidentiality, integrity and availability for business and customer information.

Central management of information security is the responsibility of DekaBank's Information Security Officer, who has a direct reporting line to the Board of Management. Based on DekaBank's information security strategy, he/she sets appropriate security requirements to achieve the defined security level for the entire Deka Group, which also apply to DekaBank's relevant service providers. In designing the measures, the ISMS is guided by the requirements of ISO 27001, an internationally recognised standard for information security.

When defining information security methods and procedures, DekaBank maintains contacts with security organisations, government authorities and industry associations and coordinates with other banks from the Sparkassen-Finanzgruppe in order to identify and respond to risk-prone developments in the area of information security at an early stage. The exchange also helps to keep approaches and methods for ensuring information security up to date.

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### Internal and external monitoring actions

To be able to identify and avoid cyber threats, DekaBank has established information security requirements at the data, application, system and infrastructure levels and therefore for all areas of activity required under ISO 27001. Compliance with the requirements, both in the Deka Group companies and its service providers, is regularly monitored in order to identify information risks at an early stage and deal with them appropriately. In addition, an external audit based on the ISO 27001 standard is carried out every two years to check the functionality and effectiveness of the ISMS. In order to ensure adequate transparency regarding information risks, the Executive Board and the respective management of the subordinate companies are informed on a quarterly basis within the framework of an established reporting system about existing information risks as well as their status in terms of risk treatment.

### Training and awareness measures

All Deka Group employees are responsible for complying with information security policies and procedures. In order to raise awareness of information risks and keep them informed of new developments, all employees receive regular training on how to deal with these risks and ensure information security.

### Business Continuity Management

DekaBank operates an efficient Business Continuity Management (BCM) system that ensures the continuation of time-critical business processes in the event of an emergency. In addition to taking precautions against emergencies, the management of crisis situations is also taken into account. The focus is on four possible failure scenarios:

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

These scenarios also include possible climate change-related events, such as infrastructure failure due to extreme weather events.

For the systematic identification of risks, all business processes are regularly reviewed within the framework of a Business Impact Analysis (BIA) with regard to the possible effects of the scenarios. If necessary, measures are taken and resources are made available to reduce failure risks and their possible consequences. For example, time-critical applications are hosted redundantly in the data centres. For all time-critical processes and resources, contingency or business continuity plans are prepared by the departments and updated at least annually. These contain both fallback procedures for the failure of a resource and the return of the affected process to normal operation.

All measures are regularly checked for their effectiveness and appropriateness and tested in practice. The tests cover all four failure scenarios so that, for example, the alternative locations and IT solutions provided for the building failure can be examined for their functionality. In addition to internal tests, DekaBank's service providers are also checked to ensure that IT service providers, for example, can guarantee the contractually agreed availability times for the respective applications in emergency situations. In addition, annual risk-oriented BCM audits of the service providers are carried out to check whether they are able to provide their services on a permanent basis.

### 5.5. Complaint management

The Deka Group has implemented a management system for customer complaints that ensures an effective and transparent procedure for dealing with complaints. Among other things, it ensures that incoming customer complaints are forwarded immediately to the relevant specialist unit and processed there. This is also where tips and suggestions for improvement from the complaints can be recorded.

The European Commission has set up a European online dispute resolution platform that consumers can use to settle disputes arising from sales or service contracts concluded online out of court. Customers also have the option of submitting their complaints to the DSGVO's consumer arbitration board and the ombudsman's office of the BVI, as well as to the German Federal Financial Supervisory Authority (BaFin) or the Luxembourg supervisory authority Commission de Surveillance du Secteur Financier (CSSF) and the Joint Conciliation Board of the Austrian banking industry. In the year under review, the Deka Group received 69 complaints (2020: 51) through these channels.

During the reporting period, there were no complaints relating to environmental issues submitted via formal procedures. No complaints were also submitted on the subject of corruption or human rights impact of the Deka Group's activities.

TREND IN THE NUMBER OF COMPLAINTS (TABLE 24)

	31 Dec 2019	31 Dec 2020	31 Dec 2021
Number of complaints	4,700	4,077	5,487

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### 5.6. Idea and innovation management

DekaBank's idea management for the Deka Group runs via a web-based platform that employees of the Deka Group can use to submit their ideas for improving processes or for new products and services. The crowd-sourcing approach of this platform enables employees to actively participate in the further development and evaluation of published ideas. Indications of potential problems and risks are also helpful for the department concerned, which decides whether an idea should be implemented. In addition to the Deka Group, almost 40 other savings banks or affiliated institutions are currently using the "S Innovation" platform developed by DSGV, DekaBank and Sparkassen-Finanzportal for their idea management.

In 2021, employees submitted a total of 148 (2020: 124) ideas, of which 91 (2020: 90) were published on the platform. Due to a special sustainability competition (see below), the percentage of ideas from this area increased very strongly – from 9 percent (2020) to 51 percent (2021). The topic has thus taken over first place and replaced the process-related ideas, whose share has declined from 41 to 17 percent. 16 Ideas, including four competition ideas, were awarded cash prizes totalling 12,700 euros, and ten other employees received non-cash prizes. Savings from the proposals decreased significantly to 31,000 euros (2020: 273,000 euros). High calculable savings or even additional income were not recorded in 2021.

In autumn 2021, a special competition on sustainability-related ideas and proposals was held under the motto #Gemeinsam-Nachhaltig (SustainableTogether). Employees submitted a total of 35 ideas. First place was shared by the ideas "Deka Purpose Day" and "1 Sparplan Deka Nachhaltigkeitsfonds – 1 Baum pflanzen" (1 savings plan Deka sustainability fund – plant 1 tree). The jury recommended combining these two ideas and organising tree planting campaigns as team events. There are also two third places: "Digital Business Card" and "Old SmartPhones for Money/Donation and for the Environment". The business card, made of recyclable material, stores all important contact data and eliminates the need for paper cards. The so-called "green vending machines" make it possible to hand over old smartphones for recycling in a sensible and convenient way. They accept old smartphones and pay out the equivalent value.

S Broker AG & Co. KG also has an ideas management system. Employees can submit ideas via the Intranet, which are released for voting by all employees after being reviewed. The ideas with the best ratings are awarded a cash bonus of 400 euros.

In addition to ideas management, strategic innovation management has been further developed as part of the strategic action programme 2025. This relies on the participation of as many employees as possible in the development of innovative

solutions in order to strengthen the culture of innovation and promote the digital transformation throughout the Deka Group. As part of a structured innovation process, ideas are promoted and developed into products and solutions that are developed in the individual departments, as well as approaches that result from strategic trend scouting.

The financing of the process is ensured by the innovation board, which decides on the basis of pitches about the financial support for the implementation of the ideas. In the year under review, six innovation boards took place, at which more than ten ideas were positively evaluated. Thematically, these were ideas and solutions that, among other things, contribute to focus technologies of machine learning, workflow and Blockchain & Distributed Ledger Technology (DLT).

The Innovation Board and the "Digitalisation Expert Group" ensure that the relevant areas within the Deka Group are closely interlinked and coordinated, thereby ensuring a concerted approach. The expert group also assesses technological trends and new technologies and their significance for the Deka Group. The Digital Multichannel Management unit is responsible for digitising the technical interfaces to customers, the IT unit and the relevant specialist units together with the relevant department head for digitising processes.

### 5.7. Sustainability ratings

The central goal of the measures within the framework of the EU Action Plan for Financing Sustainable Growth is, as described, to direct capital of private and institutional investors into sustainable investments in order to finance the necessary investments in climate and environmental protection. Also, as a result of these measures, the proportion of investors, who take sustainability criteria into account when investing, has continued to rise in recent years.

In the case of institutional investors, a distinction can be made between two effects of the increased regulatory measures. For individual institutional investors, for example insurance companies and institutions for occupational retirement provision, the supervisory authorities have defined concrete requirements for dealing with sustainability risks in capital investment, as a result of which the institutions have often systematically integrated corresponding criteria into their investment processes. For other investors, for example foundations and church institutions, the regulatory measures have made them even more aware of the possibilities of sustainable capital investment independent of a regulatory obligation. For them, in addition to actively dealing with sustainability risks to protect their own capital investment, there is also the motive to take into account the individual environmental and social goals and values of their institution in their investment decisions and to invest primarily in asset classes and issuers that meet these requirements.

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As an issuer of public bonds, mortgage bonds and bearer bonds, as well as potentially green bonds in the future, it is also important for DekaBank to meet the requirements of sustainability rating agencies so that it can successfully place its bonds with these investors. For many investors, the ESG ratings of the ESG rating agencies specialising in these aspects form a central basis for taking sustainability criteria into account when investing. They are therefore an important reference for the design of sustainability management and a central target group for sustainability reporting. At the same time, the criteria used by the agencies reflect the requirements of important stakeholders of the Deka Group, such as environmental associations, human rights organisations and trade unions. Finally, the Deka Group uses the sustainability ratings as the basis for a regular analysis of the strengths and weaknesses of its sustainability management, also in comparison with other banks. The measures derived from this are regularly reported to the Board of Management and then taken to the specialist departments for successive implementation. All topics are also recorded in the sustainability dashboard in order to regularly monitor the progress of implementation. **CF. CHAPTER 2.2.1.**

As in previous years, the Deka Group is rated well above average in the ESG ratings of the leading rating agencies. In the year under review, DekaBank conducted an intensive rating process for the first time with V.E (formerly Vigeo Eiris), which has been part of Moody's since 2019.

This resulted in an improvement in the overall score from 41 percent ("Limited") to 55 percent ("Robust"), based on the Deka Group's Sustainability Report 2020 and additional information from the specialist departments. With this result, the Deka Group was ranked 13th out of 97 in the "Retail and Specialised Banks" peer group as on the assessment date and is only five percentage points away from the highest rating category of "Advanced".

Sustainalytics ranked the Deka Group 8th out of the 376 banks assessed in the "Asset Management & Custody Services" peer group as on the assessment date of 10 August 2021. With a rating of "Low Risk" 17.4 on the scale ranging from 40+ to 0 (best value), the Deka Group was able to slightly improve its ESG risk rating compared to the previous year ("Low Risk" 17.8).<sup>33</sup>

The ESG rating agency MSCI ESG carried out a partial update of ESG rating indicators during the year under review, reconfirming the Deka Group's very good AA rating (AAA to CCC scale). The ESG rating agency ISS ESG last comprehensively assessed the Deka Group in 2020 and awarded it Prime status. With a rating of C+ (scale A+ to D-), the Deka Group was able to place itself here as an "Industry Leader" among the three best-rated banks in the "Public and Regional Banks" peer group. The Deka Group expects a comprehensive update of its rating profiles from MSCI ESG and ISS ESG in 2022.

RATING AGENCIES (FIGURE 8)



Status of sustainability ratings according to the respective rating reports: MSCI: 28.08.2020 (last interim update:28.05.2021); ISS-ESG: 22.06.2020; Sustainalytics: 10.08.2021; V.E: 05.2021 | \*Copyright ©2020 MSCI, \*\* Copyright ©2021 Sustainalytics

<sup>33</sup> Sustainalytics has changed its assessment methodology in 2019, so the results are not comparable with the information from the 2019 Sustainability Report.

# Green Finance – it won't work without the financial sector

The financing of the climate transition faces major challenges, because it will not be easy to achieve the Paris climate goals. The United Nations has pointed this out again. Every year, they determine the extent, to which countries are on track with their greenhouse gas reduction programmes. The report presented in October 2021 shows that there is a considerable gap between the greenhouse gas reduction of -7.5 percent expected from national plans and the necessary value of -55 percent by 2030. Accordingly, the international community is far from meeting the climate goal of +1.5 °C by the end of the current century. So far, according to the United Nations, the earth is on course for global warming of +2.7 °C by 2100.

## Investment needs at European and national level

To achieve the Paris climate goals, the EU has set itself ambitious targets and reaffirmed them at the World Climate Summit in Glasgow: By 2030, greenhouse gas emissions are to be reduced by 55 percent compared to 1990 levels and by 2050, it is planned to achieve climate neutrality. This is also an enormous effort on the financing side. The EU estimates the investment needed from 2021 to 2030 alone at 350 billion euros annually. In a long-term estimate for the period until 2050, the EU sees an annual financing requirement of 175 to 290 billion euros. With the 2021-2027 budget, the EU Commission has underlined the seriousness of its efforts to achieve the climate goals. Including the reconstruction fund to cushion and combat the economic consequences of the Corona pandemic, this budget has a total volume of 1.8 trillion euros. Around one in three euros is to flow into climate protection and measures to adapt to the consequences of climate change.

As the largest economy in the EU, Germany has a special role to play in climate protection. Germany is also the only EU country among the world's ten largest CO<sub>2</sub> emitters and accounts for around 25 percent of the EU's total CO<sub>2</sub> emissions. In a study from 2021 by Prognos/Nextra Consulting/NKI, the investment requirement in Germany is estimated at five trillion euros to achieve climate neutrality by 2050. This amount will be somewhat higher due to the adjusted target date from 2050 to 2045 as a result of the successful constitutional complaint against the Climate Protection Act. There is a clear ranking in the distribution of the necessary climate protection investments among the German economic sectors. The transport sector accounts for the lion's share of more than two trillion euros, with the energy sector in second place with just under 0.9 trillion euros.

Private households and industry follow with an amount of slightly more than 0.6 trillion euros each. The lowest investment needs are seen in the trade, commerce and services sector with 0.24 trillion euros. The remaining 0.5 trillion euros are accounted for by so-called negative technologies, e.g. the recovery of CO<sub>2</sub> from the atmosphere. Without question, these are large sums of money that climate protection in Germany requires. However, climate protection investments also include investments that would be made without climate protection, such as buying a new car or renovating a building.

## Finance sector as a transport system for capital

The high investment needs cannot be met at European or national level by government investment and support programmes alone. Therefore, the private financial sector is also in demand and its participation is not only explicitly demanded by the EU, but also comprehensively promoted within the framework of the EU Action Plan for Financing Sustainable Growth.

In many respects, the finance sector is the focus of the sustainability debate, including the financing of the ecological transition. This is because it has a special position in the national economy: financing and financial investments are universal services for all other sectors of the economy, in a sense the financial road network, over which the economy's traffic rolls. If these roads are designed in such a way that sustainable vehicles can move forward more easily or even exclusively, then the economy as a whole becomes more sustainable. And from another perspective, sustainability considerations play a major role for financial companies: especially with climate change, the values of assets, such as loans, as well as risks are changing. Companies that face higher climate regulations in the coming years will have to re-evaluate their business models. This is the case, for example, if the fossil combustion engine were to be banned. This requires high investments and would mean a comprehensive change in the value chain in the vehicle industry. Another case concerns insurance companies that cover elementary risks and are now confronted with changed probabilities as well as extents of natural events.

## Fields of action for sustainable finance

Against this background, three fields of action in particular emerge within the framework of sustainable finance: a green monetary policy at the level of the European Central Bank (ECB), the integration of climate and sustainability criteria into lending, and sustainable investment.

### **Green monetary policy as an important pillar**

The involvement of the ECB is of central importance for the European climate strategy. A look at the huge bond portfolio of over 4,500 billion euros alone points to the dormant, major green leverage that the Central Bank possesses. With the results of its strategy review in summer 2021, the ECB gave the go-ahead for a green monetary policy. The ECB President presented a comprehensive catalogue for the green transformation of the monetary policy. The first step is to better understand climate change from the banking perspective and to take it into account in risk analysis. The next step will be to disclose climate risks in transactions with the Central Bank, and finally to include them in the collateral framework and in the direct purchase of financial securities by the ECB. The Central Bank is in a field of tension here. It must ensure that its main goal, price level stability, is not jeopardised by climate protection measures. In addition to its own sustainability efforts, a major task for the monetary policy and supervision is to elicit the consequences of the sustainability revolution for financial assets, especially credit, and to ensure that the stability of the financial sector is maintained during the sustainability transformation of the economy.

### **Sustainable financing**

The design of green financing requires thorough illumination. For example, there are discussions on whether "green" loans could be favoured by banks by requiring less equity to be set aside by the issuing bank than for "brown" loans. At this point, a double balance has to be struck: Equity capital is required by the banking supervisory authority so that lending institutions can make up for loan defaults on their own and do not become insolvent. If capital requirements are lowered for "green" financing, there is a risk that the risks associated with the financing are not adequately covered. This is because there is no evidence so far that sustainable financing systematically has lower risks than other loans. Such a promotion of "green" lending would at least have to be accompanied by state guarantees in case of non-repayment.

### **Sustainable investment**

The financial sector does not only consist of banks that grant loans. It also has a central function in investing money. In particular, it is private households that want to save money because they want to spend income earned today only tomorrow, in a few months or in many years. Between the private households as savers and those who invest capital (mostly companies), the financial institutions stand as a hub ("financial intermediaries"). But companies also raise the funds they need in the form of securities, for example corporate bonds; here banks have at best auxiliary functions. The hubs of securities investment are rather the so-called capital collection agencies such as pension funds or investment funds. They buy and hold shares and bonds on behalf of investors. Sustainability criteria are becoming increasingly important in this world of securities. This is where there is enormous leverage for sustainable management: German households hold about 1.5 trillion euros of their financial assets in securities, either directly or indirectly through investment funds. In addition, a similar order of magnitude is managed on behalf of private households by capital collection agencies such as pension funds, primarily for old-age provision.

### **Conclusion: Finance sector accepts responsibility**

The financing requirements in the EU to achieve climate neutrality are enormous. However, due to the investments that are necessary anyway, the amount is not as high as is often read. The financing of climate change can be achieved with the involvement of the entire European financial system. It requires cooperation between governments, including regulation, monetary policy, private households and private financial companies. The financial sector is rising to these challenges. An important alliance for the sustainable transformation of the world financial system is the Glasgow Financial Alliance for Net Zero (GFANZ). It brings together 450 companies from the financial sector from 45 countries. Among them is the Deka Group. According to its own information, the alliance stands for 130 trillion US dollars. According to the head of the GFANZ, Mark Carney, the former head of the Bank of England, they are committed to directing their capital towards the goal of climate neutrality by 2050.

## Reporting within the framework of Article 8 of the Taxonomy Regulation: Eligibility Reporting 2021

In order to achieve greenhouse gas neutrality by 2050, the EU Commission is counting on the support of the finance industry, among others. The finance industry has the central function of channelling capital flows into sustainable investments and ensuring a high level of market transparency.

For this reason, the EU Commission has created an EU-wide classification system with Regulation (EU) 2020/852 (hereinafter "Taxonomy Regulation"). According to this Taxonomy Regulation, around 100 economic activities along 13 sectors are to be evaluated in terms of their impact on the climate and the environment.

The Regulation entered into force in July 2020. On 10 December 2021, the European Commission published a delegated act (EU) 2021/2178 in the Official Journal of the European Union, which specifies the reporting obligations of the various players in the financial market, including those of credit institutions. Reporting obligations according to the Taxonomy Regulation apply to all (non-)financial undertakings that are obliged to submit a non-financial statement according to the Accounting Directive 2013/34/EU.

Under Article 8 of the Taxonomy Regulation, the Deka Group is also required to classify relevant business using certain assessment criteria. For the 2021 year under review, the Deka Group's business was therefore analysed for the first time with regard to its taxonomy eligibility. This indicates the proportion of the business volume in the above-mentioned economic activities and sectors that is, in principle, to be subject to a future taxonomy compliance review.

A taxonomy-eligible economic activity is an economic activity that is described in the delegated acts ("Climate Delegated Act" Annex I and II), irrespective of whether this economic activity fulfils all technical test criteria. A taxonomy-aligned economic activity is an economic activity that fulfils the requirements set out in the Taxonomy Regulation by ...:

1. ...making a significant contribution to at least one of the six environmental goals
2. ...not causing significant adverse effects on the other environmental goals (DNSH criteria)
3. ...being able to be evaluated in a scientifically sound manner and
4. ...fulfilling the minimum social safeguards

**(CF. Background: DEVELOPMENTS IN THE EU ACTION PLAN FOR FINANCING SUSTAINABLE GROWTH – THE EU TAXONOMY)**

The taxonomy eligibility analysis carried out is therefore to be understood, on the one hand, as an intermediate step in the reporting; on the other hand, it corresponds to full compliance with the current regulatory requirements under Article 8 of the delegated act until the full requirements under Article 10 of the same act enter into force.

From the 2023 year under review and when the full scope of reporting comes into force, the Deka Group is required to publish the Green Asset Ratio (hereinafter also referred to as "GAR"). This key figure indicates the ratio of taxonomy-aligned business to a defined part of the assets (so-called "Covered Assets"; for details, see below) of the bank. Only when the Green Asset Ratio is published can a statement be made as to whether the business can be described as sustainable within the meaning of the EU Taxonomy Regulation.

Neither the specific calculation methods nor the reporting format are currently fully specified for the information or ratios (hereinafter also referred to as "key performance indicators" or "KPIs") that must be disclosed as of 31 December 2021. The key performance indicators to be published are determined against the backdrop of an initial reporting requirement of taxonomy eligibility for companies as of 31 December 2021 and are based on the Annexes for credit institutions V, VI and XI of the Delegated Act (EU) 2021/2178 in the EU Official Journal in conjunction with the FAQs (Frequently Asked Questions) published by the EU on 20 December 2021 and concretized on 02 February 2022.

According to Article 10(2) of the Delegated Act, seven Key Performance Indicators (KPIs) are to be disclosed by the financial undertakings for the years under review 2021 and 2022. In total, these key performance indicators are set in relation to total assets. Therefore, the "Total Assets" (= balance sheet total) should be used as reference value in the denominator. The calculation of the relevant key performance indicators is based on the regulatory Financial Reporting (hereinafter "FinRep") as on 31 December 2021 and the regulatory scope of consolidation. From the 2023 year under review, the "Covered Assets", which provide for an exclusion of the exposures to "Central Governments, Central Banks and Supnationals" as well as of the "Trading portfolios", should be used as reference value for determining the GAR. According to FAQ 21 dated 02 February 2022, additional reporting of the KPIs as per the aforementioned Covered Assets is also allowed. DekaBank uses this option for KPI 1 and KPI 2 in order to facilitate comparability of the ratios in the course of time for the GAR under consideration of the qualitative details for calculating the key performance indicators.

## Reporting within the framework of Article 8 of the Taxonomy Regulation: Eligibility Reporting 2021

The following table should be read with particular reference to the Deka Group's integrated business model as Wertpapierhaus for the savings banks. With its activities in asset management and in the banking business, the Deka Group is a service provider for the investment, administration and management of assets and supports savings banks, savings bank customers and institutional investors along the entire investment and advisory process, with a focus on securities business. Financing, particularly taxonomy-eligible financing within the EU, accounts for a relatively small share in the Deka Group's total assets. For example, private residential construction business, which is generally classified as taxonomy-eligible, is not part of the Deka Group's business model.

KPI No.	Description	Share in % With reference to Total Assets	Share in % With reference to Covered Assets
1	<u>Taxonomy-eligible assets</u> Total assets	3.0	4.8
2	<u>Non-taxonomy-eligible assets</u> Total assets	21.1	34.1
3	<u>Risk positions against central states + central banks + supranational issuers</u> Total assets	21.1	
4	<u>Derivatives (banking book and trading book)</u> Total assets	7.1	
5	<u>Risk positions against entities not subject to NFRD</u> Total assets	28.4	
6	<u>Trading portfolio</u> Total assets	18.7	
7	<u>Short-term interbank loans</u> Total assets	2.9	

KPI No. 1 represents the essential key performance indicator as on the reporting date of 31 December 2021. It shows the share of risk positions (gross book values) and is to be subjected to a taxonomy conformity review from the year under review 2023.

For KPI No. 1, loans, debt securities and equity instruments to NFRD-obligated entities (both financial entities, non-financial entities and other financial entities subject to the Non-Financial Reporting Directive) as well as households and local authorities (municipalities and districts, whose purpose is the financing of public housing or special financing) are to be examined for taxonomy eligibility.

The decisive factor for taxonomy eligibility is the economic activity of the respective financing. To examine the taxonomy eligibility of the relevant risk positions, the financings were first examined for directly derivable economic activities. These are present in 3.7 percent of the total assets. Of this position, 0.7 percent have a non-taxonomy-eligible economic activity and

are therefore assigned to KPI No. 2. With reference to the aforementioned Covered Assets, KPI No. 1 increases from around 3.0 percent to around 4.8 percent and KPI No. 2 to around 34.1 percent.

Risk positions without directly attributable economic activity are generally to be recognised in the amount of the taxonomy eligibility ratio published by the respective companies. At the time the report was prepared, corresponding information was not yet available from the respective companies or had not yet been published. The Deka Group has therefore classified these risk positions entirely as non-taxonomy-eligible and also allocated them to KPI No. 2. This affects 20.4 percent of the positions of the total assets.

The examination of taxonomy eligibility does not include positions that are exempt from the so-called NFRD obligation. On the one hand, these are customers, who have their registered office outside the European Union. This restriction leads to a non-inclusion of 17.1 percent of the total assets. On the other hand, the assessment of the NFRD obligation was determined on the basis of a negative delimitation to small or medium-sized enterprises (SMEs). This can, for example, also involve financing of so-called special purpose vehicles (SPVs), although their purpose would be classified as taxonomy-eligible and they have their registered office in the European Union. The negative delimitation based on SMEs leads to an additional non-inclusion of 11.3 percent of total assets. The two aforementioned positions are reported in KPI No. 5 as a total of 28.4 percent of total assets.

Other risk positions that cannot be classified as taxonomy-eligible by definition are assigned to KPIs No. 3, No. 4, No. 6 and No. 7. They are not in line with the product and customer groups relevant for the taxonomy. This approach has excluded a further significant proportion of the Deka Group's total assets for inclusion in KPI No. 1 and KPI No. 2.

Due to double counting and overlaps, especially in trading book derivatives (included in KPI No. 4 and No. 6), as well as the exclusion of regional and local authorities (not included in KPI No. 3), the sum of the above ratios deviates from 100 percent.

### Qualitative disclosures on compliance with Regulation (EU) No. 2020/852 in the business strategy, product design processes and cooperation with customers and counterparties

The Deka Group aligns its sustainability strategy with the global challenges of climate change and sustainable development and the associated political, regulatory, social and customer-related requirements. Regulatory requirements are implemented from the joint perspective of the customer and the regulator. The EU Taxonomy Regulation also results in corresponding requirements that are coordinated and implemented

## Reporting within the framework of Article 8 of the Taxonomy Regulation: Eligibility Reporting 2021

within the Deka Group. At the moment, the focus is on the impact of climate change on business activities and the associated risks, as well as on expanding the sustainable product range.

The governance concept was revised in the year under review to reflect the Deka Group's holistic approach to sustainability, taking into account new regulatory requirements. The focus is on the topics of organisation and responsibilities as well as coordination and control processes. The governance target is to be finally implemented in 2022. The first measures were already initiated in 2021. For example, the new function of Strategic ESG Management was implemented in the Strategy & Human Resources division, which will take on a coordinating role, among other things. The goal is to create better transparency about regulatory requirements, to link already existing information with each other and to centrally manage the integration of data on the taxonomy. The implementation of the respective requirements will continue to be carried out in the relevant departments. **CF. CHAPTER 2.2.3.**

Sustainability is a high management priority for the Deka Group and is to be established as a central cornerstone of the business model and actively promoted further. The Deka Group sees this as both an attitude and an opportunity for growth and future profitability. It can be assumed that with the full implementation of the taxonomy, expanded information will be available that will significantly increase transparency regarding the sustainability of business partners and their activities. Impulses generated from this will be continuously taken up and considered in the further development of the business model.

Through the implementation of the EU Taxonomy Regulation within the Deka Group, taxonomy-aligned products and product strategies are already available today. The market-driven expansion of the sustainable range of ESG products in line with the taxonomy, the expansion of sustainable product concepts and the addition of further services relating to impact funds are just one example of future developments<sup>34</sup>. But also the support of financing that enables sustainable and climate-friendly growth through targeted lending pays off. Through its diverse activities across different business divisions, the Deka Group contributes to the presentation of sustainable business activities in the EU as well as their transparency and comparability.

<sup>34</sup> It should be noted that for "green" or "sustainable" products mentioned in this report, there is currently no European market consensus on what exactly constitutes such a product. The definitions and contents of the products declared here as "green" or "sustainable" may differ from those in Articles 8 and 9 SFDR (Sustainable Finance Disclosure Regulation 2019/2088, which came into force on 10 March

2021) and those in the EU Taxonomy Regulation 2020/852 of 22 June 2020. However, as far as possible, the Deka Group as a whole is guided by the aforementioned regulatory definition criteria applicable to the reporting period. For editorial reasons, however, the terms are not consistently used accordingly for this report.

### About the report

For the 2021 year under review, DekaBank complies with the provisions of the "Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports" (CSR Guidelines Implementation Act) in conjunction with the provisions in Sections 289 and 315 of the German Commercial Code (Handelsgesetzbuch, HGB) by preparing a joint non-financial report for the Deka Group (the Deka Group includes DekaBank Deutsche Girozentrale as the parent company and the subsidiaries in accordance with the IFRS scope of consolidation (CF. [www.deka.de/deka-gruppe/investor-relations/publications](http://www.deka.de/deka-gruppe/investor-relations/publications), Deka Group Annual Report, Note 81 "Disclosures on shares in subsidiaries" and Note 83 "List of shareholdings") and DekaBank Deutsche Girozentrale as part of the Sustainability Report 2021 and publishing it on its website by 30 April 2022. Taking into account the principle of materiality, the non-financial report focuses on these companies insofar as they make a significant contribution to the Deka Group's sustainability performance.

Unless otherwise stated, the information in this report relates to the Deka Group. Individual key figures in the area of environmental management relate to individual locations. Where this is the case, this is noted accordingly.

The Deka Group sees itself as an organisation that is focused on customer benefit across all levels and divisions and uses the strengths of its integrated business model, which is based on asset management as much as banking business, to this end.

#### 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 the globally recognised guideline for sustainability reporting.

*"This report has been prepared in accordance with the GRI Standards: Core Option."*

The Deka Group declares that it has taken the greatest possible care in preparing this report and that, to the best of its knowledge, the information contained herein is accurate and no material circumstances have been omitted. All information in the report generally relates to the calendar year 2021. Where this is not the case, this is noted accordingly. CF. GRI Content Index at [www.deka.de/deka-gruppe](http://www.deka.de/deka-gruppe)

#### Content requirements of the CSR Guidelines Implementation Act (CSR-RUG)

Section 289c of the German Commercial Code defines the contents of the non-financial report. In addition to describing the company's business model, the non-financial report should also refer at least to the aspects listed below if these are material for understanding the course of business and the impact of the company's own corporate activities. In essence, these are the same aspects that the Deka Group undertook to consider comprehensively when signing the UN Global Compact. The significance of the five aspects for the Deka Group ("internal view") is presented below.

In addition to these aspects required by the CSR-RUG, the Deka Group reports in this Sustainability Report 2021 on further objectives and measures that specific target groups of the report, in particular sustainability rating agencies, consider material for understanding the Deka Group's sustainability-related commitment and impact on employees, the environment and society. This takes into account the fact that individual sustainability rating agencies only use publicly available sources of information for their assessments, in particular sustainability reports or non-financial reports.

#### Environmental issues

Environmental issues are relevant to the Deka Group in various contexts. One of these is the consideration of environmental criteria in financing. Here, non-compliance with environmental standards, for example in the case of infrastructure projects, can lead to delays in the completion of the projects and therefore possibly to delays or even defaults in servicing the financing, as well as to reputational damage. Such risks can be minimised by observing international standards, e. g. the Equator Principles. These aspects are discussed in chapters 4.1.2. "Sustainability in lending" and 5.1. "Regulations and standards". Secondly, from the Deka Group's perspective, it is also important to minimise the direct impact of its activities on the environment. The goals and measures for this area are documented in chapter 3. "Sustainable banking operations".

Not least as a result of the recommendations of the TCFD and the ECB in its guidance on dealing with climate and environmental risks, the risks of climate change have become even more important for the financial sector. Chapter 2.4. provides an overview of the points in the sustainability report, where the Deka Group already provides information on TCFD-relevant issues. Chapter 5.3. of the Sustainability Report and the Risk Report in the Annual Report document how DekaBank implements the ECB's requirements for dealing with climate and environmental risks.

#### Employee matters

Employees are the foundation of the Deka Group's business activities. In this context, it is particularly important – also against the backdrop of demographic change – to recruit and retain employees in the numbers and with the qualifications required to provide the services. At the same time, from the employees' point of view, it is essential to ensure their professional and health-related employability through appropriate measures. The Deka Group's efforts in areas such as training and development, promoting equal opportunities and occupational health and safety are discussed in section 4.2. "Employees – Sustainable human resources management".

#### Social issues

Promoting development at local and regional level and supporting local authorities in fulfilling their tasks in the economic, regional, social and cultural spheres is enshrined in the Savings Banks Act and therefore also guides the Deka Group's actions. Its extensive social activities are outlined in chapter 4.3. "Social engagement".

### **Respect for human rights**

Respect for human rights is important in the banking sector, especially in connection with the financing of infrastructure projects. This often involves dealings with local communities. By taking the Equator Principles into account in relevant financing, DekaBank ensures that human rights aspects are taken into account in the financing. On the one hand, this is intended to avoid risks both for the implementation of the projects and for the DekaBank's reputation. On the other hand, negative impacts on the people affected by the financed projects should be excluded as far as possible.

The UK Modern Slavery Act of 2015 also refers to the responsibility of companies to eliminate slave labour in the supply chain. It obliges all companies doing business in the UK to make a declaration of what measures they have taken to ensure that there is no "slave labour" in their supply chain. The Deka Group is also required to make such a declaration based on its business activities in the UK. It is published on the Deka Group's website. Further information on these topics can be found in the chapters 3.1.2. "Procurement", 4.1.2. "Sustainability in lending" and 5.1. "Regulations and standards".

### **Combating corruption and bribery**

Compliance with legal and regulatory requirements with regard to combating corruption and bribery is one of the basic requirements of responsible corporate governance. Violations of these standards regularly lead to legal – including financial – sanctions and a loss of reputation. The Deka Group's corresponding guidelines and measures for combating corruption and bribery are documented in chapter 5.2.1. "Compliance".

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

## Audit opinion on the implementation of the CSR Guidelines Implementation Act

### Audit task

The audit of the separate non-financial report is twofold:

The Board of Management has the duty to review the content, whereby it may also commission an external review of the content. The auditor checks whether the separate non-financial report has been submitted and published by 30 April of the following year. The auditor does not review the content. Deka-Bank has commissioned AGIMUS GmbH Umweltgutachterorganisation und Beratungsgesellschaft to conduct an external review of the content of the joint separate non-financial report (Sustainability Report 2021) of DekaBank Deutsche Girozentrale and the Deka Group. The joint separate non-financial report was reviewed by the independent experts Dr. Ralf Utermöhlen and Dr. Julia Norden in February 2022.

Our task is to examine the statements in the Sustainability Report for comprehensibility as well as completeness and accuracy in accordance with the requirements of the Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports (CSR Guidelines Implementation Act), the German Commercial Code (HGB), Regulation (EU) 2020/852 (Taxonomy Regulation) and the framework of the Global Reporting Initiative (GRI Standards). In addition, we were commissioned to make recommendations for the further development of environmental management and sustainability reporting based on the results of our environmental audit.

### Independence and quality assurance of the environmental audit organisation

We have complied with the requirements for independence of environmental audit organisations and other professional conduct requirements for a third-party audit and have conducted our audit of the Sustainability Report in the procedural context of the certification and on-site audit of the environmental management system according to ISO 14001.

### Audit activities

We conducted our audit in accordance with the professional standards for environmental auditors. In doing so, we planned and performed the contract in accordance with the principle of materiality so as to provide our opinion with reasonable assurance.

The selection of the audit procedures is at the professional discretion of the environmental auditor and was carried out in a professional and substantive conjunction with the audit procedures for certification in accordance with ISO 14001. A particular focus of the audit in 2022 was the numerous activities throughout the Deka Group to implement the new legal requirements relating to sustainable finance.

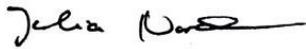
As part of our environmental audit, we carried out the following activities, among others:

- Interviewing staff of the departments responsible for the preparation of the report about the process for preparing the report and about the internal control system related to this process;
- Inspecting the sustainability strategy documents and obtaining an understanding of the environmental and sustainability organisational structure, the stakeholder dialogue, the sustainability risk assessment and the development process for the environmental and sustainability programme of the company;
- Interviewing employees of the specialist departments responsible for individual chapters of the report;
- Inclusion of procedures and documentation of systems and processes for the collection of data and disclosures, in particular for the systemic derivation of the KPIs to be reported by financial institutions in accordance with the Taxonomy Regulation and related delegated acts;
- Aggregation of selected disclosures; analytical assessment of the disclosures within the report;
- Plausibility checks and aggregation of sustainability data as well as their verification;
- Conducting audits and site visits during the ISO 14001 audit at the Frankfurt/Main site;
- Obtaining further evidence for the information in the report by inspecting internal documents as well as reports and records from external service providers.
- We had errors found in the draft report corrected, and missing information on a smaller scale was incorporated.

## Verdict

After completing their audit, the two experts came to the conclusion that the joint separate non-financial report (Sustainability Report for DekaBank Deutsche Girozentrale and the Deka Group for the period from 1 January 2021 to 31 December 2021) complies with the statutory requirements of the (HGB), the CSR-RUG and the Taxonomy Regulation for the separate non-financial report and that the reporting standards of the Global Reporting Initiative (GRI Standards) are met.

Braunschweig, 16 February 2022



Dr. Julia Norden



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



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## INFORMATION ON THE INTERNET

You can find the Deka Group's Sustainability Report 2021 on our website at [deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/nachhaltigkeitsberichte--ratings](https://deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/nachhaltigkeitsberichte--ratings)

## OTHER RELEVANT WEBSITES

- [deka.de/privatkunden/anlageideen/nachhaltigkeit](https://deka.de/privatkunden/anlageideen/nachhaltigkeit)
- [deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben](https://deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben)
- [deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/nachhaltigkeitsbezogene-offenlegung](https://deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/nachhaltigkeitsbezogene-offenlegung)
- [deka.de/privatkunden/ueber-uns](https://deka.de/privatkunden/ueber-uns)

## ORDERING SERVICE

We will be happy to send you the Deka Group's Sustainability Report 2021. If you would like to receive our sustainability report on a regular basis, please contact us.

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## EDITORIAL

NKI – Institut für nachhaltige Kapitalanlagen GmbH

## CONCEPT AND DESIGN

Templeton & Webster GmbH

## VALIDITY OF INFORMATION

This document is a translation of the corresponding Deka Group Sustainability Report 2021, which was written in German. In case of any inconsistency or translation-related differences the German language version shall prevail.



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