

Sustainability Report 2011 The savings banks can count on DekaBank as a responsible and credible partner for sustainable investments. Our sustainability strategy establishes a binding framework for all of our business activities. It covers environmental and human resources management as well as the development of sustainable investment products and the social commitment and community involvement of DekaBank and its employees.

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Credible and trusted partner of the savings banks for sustainable investments

Savings banks and sustainability. The two have always been a good match, even though the term was not an active part of our industry's vocabulary up until a few years ago. Much of our understanding of sustainability today is part and parcel of the savings banks' genetic code and has been ever since they were first established over two hundred years ago: the pledge to ensure that everyone has access to financial services and to put public benefit ahead of pure profit maximisation, as well as to support those in society who would not have had the opportunity to receive this assistance elsewhere. Each savings bank has its own particular focal areas, but they all have one thing in common: the commitment to be there for their own region and the people who live there – with the knowledge that this is the only way the savings bank can thrive as well.

We can therefore say that hardly any other financial group has incorporated sustainability into its operations to the same extent as the *Sparkassen-Finanzgruppe*. This is one of the factors that helped us weather the financial market crisis better than others. And it is one of the reasons why more people place trust in the savings banks than any other financial institution in Germany.

However, the developments of the past years and decades present us with new challenges. Together with the savings banks we are rising to these challenges. Corporate social responsibility that is limited to a company's local region is no longer enough. Now it is more about companies also taking the consequences of their actions on global developments, such as climate change, into consideration. Providing customers with suitable product solutions is just one of many elements in this regard. These products are increasingly the subject of critical review to establish whether they also comply with ethical standards. We know that we can only place these products credibly and successfully if we ourselves act in a sustainable manner. To this end, the savings banks can count on DekaBank as a responsible partner. DekaBank believes that sustainability also means taking responsibility for society and the environment in everything that we do.

Our sustainability strategy establishes a binding framework for all of our business activities. And it is continually updated. We operate on the principle of "first do, then report", rather than make announcements and then endeavour to implement them. For example, the socially and environmentally responsible standards of the Equator Principles have already been firmly established in our credit risk guidelines for the past three years, however, we did not sign up to them until March 2011, when we were sure we could keep our promises. We also highlighted our commitment to our sustainable strategy when we joined the UN Global Compact in 2011, which applies across the entire Group.

DekaBank is thus a credible partner for sustainable investments and, together with the savings banks, offers ongoing guidance and stability, especially in crisis-ridden market situations.

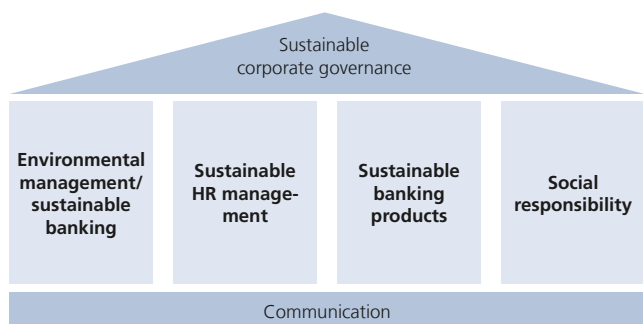
Basis of the report

Since the 2009 reporting year, DekaBank has been publishing its Sustainability Report yearly as an integral part of its Annual Report. By doing so, we document that sustainability is closely linked with the long-term financial success of the Group and we therefore support efforts to standardise assessment standards and definitions and thus improve comparability. Unless otherwise indicated, our Sustainability Report relates to the DekaBank Group and its employees in the period under review from 1 January to 31 December 2011. In addition to the current report, additional information is also available on the internet at www.dekabank.de, including our Environmental Report and the GRI Content Index.

Pillars of the sustainability strategy

As part of its sustainability strategy, DekaBank has been setting concrete and binding sustainability objectives for itself since 2009, goals that shape its decisions and actions at all levels. The DekaBank Group's sustainable corporate governance is based on four pillars, with open and transparent communications forming the foundation for all its activities.

DekaBank's comprehensive sustainability approach (Fig. 1)



Sustainable corporate governance

The DekaBank Group and the savings banks have a fundamental interest in DekaBank's long-term performance. Naturally, we therefore adopt a comprehensive approach to the DekaBank Group's sustainable strategy and reflect this at all management levels. The challenge of sustainability management is to ensure that the wide-ranging activities of the Group meet our standards for responsible and sustainable actions and development. Our sustainability strategy, internal regulations and guidelines, as well as recognised standards such as the UN Global Compact, form the binding framework for this.

Management approach

Our business strategy, which is sustainable in economic, environmental and social terms, is a firmly established component of the DekaBank Group's mission, through which we ensure that all of the business divisions are aligned with the interests of the savings banks and their customers. We are convinced that sustainable corporate operations and actions, which are also compatible with the interests of our shareholders, not only offer opportunities but also minimise risks. We generate a sustainable economic result for our shareholders, which is the main target by which we measure our success.

The Board of Management is responsible for the sustainability strategy. When defining the sustainability strategy, the Board of Management is supported by the Group Development unit, which functions as a coordinator and initiator for all areas of action relating to the sustainability strategy. In this role, the unit is responsible for implementing the sustainability strategy and coordinating sustainability-related activities throughout the entire Group.

The "Sustainability Round Table" supports the communication between the Board of Management and the Group units. This committee, which is comprised of members of the top management and the Environmental Officer, advises on strategic issues and initiates the annual catalogue of measures regarding our sustainability strategy. The individual projects and measures are accompanied at the operational level by sustainability mentors, who are in place at all hierarchical levels and in all Group units and also serve as a source of ideas for new sustainability measures.

Corporate governance

DekaBank's sustainability strategy is flanked by compliance. The DekaBank Group depends on the confidence that its customers, shareholders and the public have in its services and integrity. This confidence is especially affected by the conduct of our employees. Adherence with the compliance standards is thus essential, in order to safeguard the reputation of the DekaBank Group at all times.

The DekaBank Group's Compliance Office monitors all business divisions to ensure that the services offered are provided with the required professional knowledge, care and diligence in the best interests of the customers. Compliance provides employees with the regulations and guidelines required to guarantee responsible and legal conduct. This safeguards the interests of our customers and prevents conflicts of interest. The Compliance Office identifies potential conflicts of interest and through precautions and detailed countermeasures ensures that the Group is operating in line with legal and regulatory requirements. The Compliance Office's specific tasks include preventing money laundering, financing of terrorism or "other criminal acts" as well as ensuring compliance with the rules of conduct stipulated by capital market legislation. As part of regular compliance training, employees are informed of the preventative measures to combat money laundering, financing of terrorism and "other criminal acts" that are in place at DekaBank. Employees also receive training in compliance with the rules of good conduct mandated by capital market legislation.

Staff members are given online tests about data protection, and information is provided via various media such as the intranet and the Bank's in-house magazine. The Data Protection Officer is independent of the Compliance unit and is based in an own unit in the Legal Affairs Corporate Centre.

Tip-offs and suspicious cases, particularly regarding fraud, can be reported using DekaBank's ombudsman system. These are investigated by an external ombudsman with many years of experience who is available as a point of contact for employees.

Code of ethics

The requirements for banks concerning ethical responsibility have become more complex. DekaBank's first code of ethics was drawn up over five years ago and has now been completely revised. The new code of ethics has not just been extended in terms of content, but also obliges the Bank to adopt a more proactive approach. Whereas the main focus used to be on actions that were not acceptable under the code of ethics, there is now a greater emphasis on self-awareness and the positive direction of the Bank. As a result, the code now also reflects the sustainability strategy that has meanwhile been adopted as well as the solution-oriented cooperation between the units in the spirit of "One Deka". One completely new aspect is our clear commitment to diversity. The new code states: "We define diversity as an opportunity. We are convinced that different cultural, religious and social backgrounds, beliefs and abilities not only enrich internal cooperation, but also facilitate fulfilment of the diverse customer requirements."

The code of ethics provides the orientation framework for an open, transparent and legally-compliant corporate culture. The principles formulated in the code are summarised in the categories of professionalism, responsibility, trust, collegiality, sustainability, diversity and communications. The principles apply to the entire Group, including to all our major shareholders and companies (subsidiaries).

Global Compact

DekaBank has been a member of the Global Compact of the United Nations (UN) since 22 February 2011. We are therefore part of the biggest and most important global network for corporate responsibility and corporate social responsibility, which now comprises more than 5,000 companies as well as employee, human rights, environmental and development organisations worldwide. Events are held regularly at a global, regional and national level and enable Global Compact participants to share experiences and exchange information.

By joining the Global Compact, DekaBank undertakes to follow a set of ten core values in its area of influence and to publicly communicate how it implements those core values in practice. The requirements of the UN Global Compact thus form a basis for sustainability criteria in the investment process, procurement and other areas. The corresponding reports must be submitted to the Global Compact once a year. The set of values includes the protection of human rights, compliance with labour standards, proactive environmental protection as well as measures to combat all forms of corruption. These principles, already firmly established in the company, are additionally underpinned by the partnership with the United Nations.

As with the GRI criteria, explanations regarding the relevant points of the Global Compact are presented in both this Sustainability Report and in other sections of the Annual Report, particularly the Group Management Report. Further information is also contained in the Environmental Report of the DekaBank Group, which we published in December 2011 and which is available at www.dekabank.de. We have also integrated links to Global Compact issues in the GRI Content Index on our website.

To better document the role that the Global Compact plays for our business, these principles are taken into account in the GRI Content Index for the first time, which we have published online at www.dekabank.de. The content in the table there was supplemented by references to the corresponding principles.

UN Global Compact



By joining the Global Compact in February 2011, DekaBank undertakes to implement a set of ten core values in its area of influence.

I. Human rights

Principle 1

Support and respect the protection of international human rights within their sphere of influence

Principle 2

Make sure their own corporations are not complicit in human rights abuses

II. Labour standards

Principle 3

Freedom of association and the effective recognition of the right to collective bargaining

Principle 4

The elimination of all forms of forced labour

Principle 5

The effective abolition of child labour

Principle 6

The elimination of discrimination in respect of employment and occupation

III. Environmental protection

Principle 7

Support a precautionary approach to environmental challenges

Principle 8

Undertake initiatives to promote greater environmental responsibility

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

IV. Anti-corruption

Principle 10

Work against corruption in all its forms, including extortion and bribery

Equator Principles

DekaBank evaluates its project financing activities using the Equator Principles signed in March 2011, which are explained in the section on sustainable banking products (see pages 124 to 126). We had already been applying the ten global standards governing the consideration of social and ecological standards for quite some time before signing the Principles.

The Equator Principles are modelled on the guidelines of the World Bank and the International Finance Corporation and form the basis for company-specific guidelines. They oblige financial institutions to only finance projects where the borrowers act in a socially and environmentally responsible manner as defined by the guidelines and can also provide the Bank with documentation and evidence of this.

The Equator Principles are applied by a total of 73 institutions in 27 countries and therefore cover over 70% of the financing projects in developing and emerging countries.

Environmental management/sustainable banking

Heating, cooling, travel, printing – even the non-manufacturing industries consume resources and produce ecologically harmful carbon dioxide emissions. Through a series of measures, DekaBank has succeeded in continually improving its environmental balance over the past years. In the reporting year, more efficient building management, reduced paper consumption and the use of energy-saving devices particularly contributed to this achievement.

Management approach

Corporate environmental protection is a key element of DekaBank's sustainability strategy. Corporate responsibility for environmental and climate protection is a factor that affects our future success and competitiveness. The economical use of resources not only offers substantial potential for savings, but also helps us convincingly demonstrate our sustainability principles both within and outside of the company. In our opinion, credibility at every level of our business operations makes a valuable contribution to increasing the value of the company over the long term. Consequently, DekaBank endeavours to mitigate the negative impact of its business operations on the environment as much as possible and thereby also makes a contribution to global climate protection.

Environmental guidelines are based on the DekaBank Group's sustainability strategy and are actively communicated within the Group and to our customers and business partners. At the operating level, environmental management is under the direction of the "IdeasComplaintsEnvironmental Management" unit. In this regard, the unit coordinates the implementation of environmental protection measures in the different divisions in order to conserve and cut back on our use of resources. The unit is headed by DekaBank's Environmental Officer.

To harmonise the economic targets of the company with ecological requirements, we strive to involve our employees and our business partners in the environmental management process. Together, we work on finding sustainable solutions to conserve natural resources and exercise social responsibility while taking account of our costs.

Environmental management system

To continuously improve our performance with respect to environmental protection, we have been implementing an environmental management system since 2009 which is certified in compliance with internationally recognised DIN standard EN ISO 14001 and use sector-specific environmental indicators in accordance with the VfU (*Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V./Association for Environmental Management and Sustainability in Financial Institutions*). The certification covers the Trianon,

Prisma and Skyper buildings in Frankfurt/Main. For this purpose, we started collecting all the data on processes with a direct and indirect impact on the environment in 2007. DekaBank has also undertaken to submit to regular monitoring audits that take place once a year. Recertification to the latest standards is carried out every three years and the next date for this is in April 2012.

Our environmental management system delivers an annual corporate environmental balance sheet, which is used to draw comparisons with the previous year. The environmental balance sheet covers all the locations in Frankfurt/Main and thus around 76% of all DekaBank's employees. The consumption of paper, energy and water is determined in detail, as is data on business travel and issues related to waste. The results of this survey were collated to form an Environmental Report for the first time in 2009. This report is not limited to an analysis of the actual status, but also highlights optimisation potentials and planned improvement measures.

Continual reporting is important to us because it enables us to identify progress in reducing the environmental impact in the future. DekaBank therefore presents its Environmental Report annually. Due to the complexity of gathering and analysing the data, the environmental reports are produced several months after the annual Sustainability Report. The Environmental Report for financial year 2011 is scheduled for publication at the end of 2012. The current Environmental Report, which is available at www.dekabank.de, contains environmental data up to and including 2010.

Measurement methods used in the environmental management system

Our environmental management system uses the SoFi sustainability software to monitor the individual material and energy flows as well as to calculate the relative indicators and CO₂ emissions. To meet the data integrity requirements for environmental management and the CO₂ standards (for example VfU indicators, GHG protocol), data gaps were filled where necessary with extrapolated values using projections, based on employee numbers, for example. These extrapolations are subsequently corrected with the actual consumption figures.

Development of paper consumption in absolute terms, by category – Group (Germany) (Fig. 2)

Tons	Financial year ¹⁾ 2010		Financial year ¹⁾ 2009		Financial year ¹⁾ 2008	
	Figure	Change on 2009 in %	Figure	Change on 2008 in %	Figure	Change on 2007 in %
Letterhead, printed forms, envelopes	45	–47	85	–7	91	119
Forms (2010 under copier paper)			150	16	129	159
Copier paper (general office paper)	256	49	172	–7	185	–10
<i>aggregated</i>	256	49	322	–3	314	–23
Printed advertising material/publications	432	–17	518	–29	725	–33
Total	733	–21	926	–18	1,131	–18

¹⁾ The financial year corresponds to the calendar year.

Paper consumption

We have been very successful in reducing our paper consumption and at 733 tonnes in 2010, we used 21% less paper than in 2009 (926 tonnes). Consumption of printed advertising materials and publications, which still make up the biggest share of the total volume, decreased by 17%. Consumption of business stationary, printed forms and envelopes was down by 47% in 2010 as compared with the previous year. This was partly attributable to a further reduction in the copier paper grammage (Fig. 2).

By using recycled paper, we also aim to counteract the high energy and water consumption incurred in the process of manufacturing paper, which accounts for a major share of DekaBank's environmental impact. Consequently, we printed our Christmas cards on 100% recycled paper for the first time in 2011.

Since 2010, we have also been using certified paper (Forest Stewardship Council Certification), since practicing sustainability when logging the timber required for paper manufacturing significantly effects the environmental balance of paper. For our printed advertising materials and publications we exclusively use PEFC certified paper (PEFC – Programme for the Endorsement of Forest Certification).

Energy consumption and emissions

DekaBank's carbon footprint is primarily influenced by emissions related to energy consumption in office buildings and employee mobility.

Worldwide, the buildings sector alone accounts for around 30% to 40% of the total end energy consumption. Globally, buildings therefore produce more CO₂ emissions than the transport industry. This figure impressively highlights the key contribution that energy management for buildings can make. Improving the energy efficiency of our buildings is therefore particularly important to DekaBank (Fig. 3).

We further reduced the energy consumption in our four buildings in Frankfurt/Main in 2010. Compared with the previous year, consumption declined by 6%, which is more than forecast in the environmental programme (–5%). This was mainly attributable to switching over our PC and telephone hardware to more energy-efficient devices. Overall, energy consumption has decreased by around a fifth in the past three years. For 2012, we are planning to switch to green electricity, through which we will considerably reduce the CO₂ emissions from power and heat production.

In 2011, we printed both our half-year report and our *fonds-magazin* customer magazine on a climate-neutral basis for the first time. A certificate from the CO₂ management company First Climate guarantees that the emissions generated by printing the publications were compensated by investments in certified climate protection projects. In our case, the projects involved are wind power plants in New Caledonia and Turkey.

Since 2009, DekaBank's environmental programme has stipulated an annual reduction in CO₂ emissions of 5% year-on-year. While at 4%, CO₂ savings at our Frankfurt/Main location were just below the target in the environmental programme in

Energy consumption by energy source (Fig. 3)

Giga joule	Location			
	Trianon Mainzer Landstrasse 16	Prisma Hahnstrasse 55	Taunusanlage 10	Skyper Taunusanlage 1
Electricity	21,388	16,867	2,477	4,326
Back-up diesel	32	36	17	2
District heating	17,775	8,462	3,656	794
Total	39,195	25,365	6,151	5,121

Time series analysis of greenhouse gas emissions¹⁾ (Fig. 4)

Tons	2010	2009	2008
GHG direct	778	730	724
GHG indirect	10,214	10,912	11,810
GHG other indirect	2,552	2,615	2,692
Total	13,544	14,257	15,226

¹⁾ Including the other gases regulated in the Kyoto Protocol – methane (CH₄), nitrous oxide (laughing gas, N₂O), chlorofluorocarbons (CFC and HCFC), sulphur hexafluoride (SF₆).

2009, the target was slightly exceeded in 2010 with a reduction of 5.5%. Overall, DekaBank Germany decreased its emissions by 5.3% while the Group did so by 5.0% (Fig. 4).

However there is still potential here, as the decrease in CO₂ achieved relates solely to energy and paper consumption. Some of the savings here are counteracted again by the rising proportion of business trips.

After energy consumption, mobility is the second largest cause of environmental impact in the financial services sector and the trend is rising. The number of kilometres travelled by DekaBank employees has increased by over 25% since 2007. In financial year 2010, we recorded a rise of 6% (previous year: 5%). Air travel contributed to this higher figure in particular (+16%) as did car trips (+7%), while rail travel (–21%) declined. The rise in air travel is due to an increase in long-haul flights with a simultaneously sharp drop in short-haul flights. Overall, 54% of the kilometres travelled were by air, 32% by car and 14% by rail. The figures for business travel relate to the entire DekaBank Group.

In order to reduce CO₂ emissions from its own vehicle fleet as a first step, DekaBank has been using vehicles powered by natural gas for its couriers since July 2010. The red, natural gas caddies with Deka logo are distinguished by their extremely low consumption of 5.9kg CO₂ per 100km.

As DekaBank does not operate its own production facilities or has any special sources for the emission of sulphur dioxide (SO₂), nitrogen oxide (NO_x) or other significantly harmful air pollutants, these emissions are not considered material and such data is not collected separately. Nitrogen oxide is released as a result of energy consumption in buildings and the process of combustion in modes of transport. The measures taken by DekaBank to reduce its energy consumption and CO₂ emissions thus also mitigate other associated emissions.

Water consumption

Compared with many companies in the manufacturing industry, water consumption in the financial sector is marginal. DekaBank uses water in its premises, primarily for sanitary facilities, air conditioning, cooling systems, company canteens,

Water consumption by location (Fig. 5)

Location/topic comparison, Selected period: Financial year 2010 Selected sub-period: annually, Display: inputs					
	Frankfurt/Main	Trianon Mainzer Landstrasse 16	Prisma Hahnstrasse 55	Taunus- anlage 10	Skyper Taunusanlage 1
m³					
Rainwater	2,540	–	2,540	–	–
Ground and surface water	–	–	–	–	–
Drinking water	36,636	17,011	16,462	1,221	1,942
Total	39,176	17,011	19,002	1,221	1,942

Waste water is discharged into the normal sewage system.

Development of drinking water consumption in absolute terms (Fig. 6)

m ³	Financial year ¹⁾ 2010		Financial year ¹⁾ 2009		Financial year ¹⁾ 2008	
	Figure	Change on 2009 in %	Figure	Change on 2008 in %	Figure	Change on 2007 in %
Trianon ML16	17,011	–23	22,218	–1	22,535	–18
Prisma HS55	16,462	–8	17,830	8	16,465	5
TA 10	1,221	–75	4,936	23	4,002	10
Skyper TA 1	1,942	11	1,745	–1	1,771	9
Total	36,636	–22	46,729	4	44,773	–7

¹⁾ The financial year corresponds to the calendar year.

Development of absolute waste volume (Fig. 7)

Tons	Financial year ¹⁾ 2010		Financial year ¹⁾ 2009		Financial year ¹⁾ 2008	
	Figure	Change on 2009 in %	Figure	Change on 2008 in %	Figure	Change on 2007 in %
Trianon ML16	134	8	124	-22	160	8
Prisma HS55	136	-2	139	-5	146	19
TA 10	3	-31	4	11	4	-92
Skyper TA 1	37	4	36	-12	41	4
Total	310	2	303	-14	350	-2

¹⁾ The financial year corresponds to the calendar year.

office plants and the design of outside areas. The volume of waste water is therefore low. Some of the water used by the Prisma building is rainwater, but this only accounts for a small proportion of the total water consumption.

Water consumption decreased by 22% overall at the four locations in Frankfurt/Main in 2010. We consequently used over 10.000 m³ less water than in the previous year. Water consumption per employee and per working day also dropped substantially on the whole; only the Skyper building recorded a slight increase (Fig. 5 and 6).

Waste

The volume of waste generated increased by 2% in 2010. However, the volume of waste per employee is once again considerably lower than in other financial institutions. Pollutants such as oil or chemicals were not released.

In principle, waste at DekaBank is handled in line with the principle of "avoid-recycle-dispose". Avoiding waste is also desirable for economic reasons alone, as double the cost-savings can be achieved in terms of both the resources used and their disposal. In addition to office waste, financial service providers generate paper waste in particular (Fig. 7).

Procurement management

With effect from 1 January 2011, DekaBank's Procurement Management has approved binding rules of conduct for our contractors, which apply equally to DekaBank. These are derived from the principles of the UN Global Compact, the International Labour Organization Conventions, the General Declaration of Human Rights by the United Nations, the UN Conventions of the Rights of the Child and the elimination of all forms of discrimination in accordance with IV.b, the OECD Guidelines for multinational companies, as well as the Code of Conduct from the *Bundesverband für Materialwirtschaft, Einkauf und Logistik* e.V. (German Association Materials Management, Purchasing and Logistics e.V.). The main obligations for our contracting partners are:

- the requirement to proactively operate on a sustainable basis,
- strict separation of the interests of the contractor and the private interests of employees on both sides, and based on this, compliance with detailed, specific anti-corruption regulations,
- proof of quality management on the part of the contractor which excludes the use of "prohibited substances" in accordance with ENA categories,
- DekaBank's preference for cooperations with manufacturers and retailers that are verifiably certified under an industry standard (EMAS, ISO 14001 etc.), or audited in accordance with a recognised and accepted environmental quality seal, and
- certified recyclability of all packaging used by the contractor to protect, store or transport goods.

In addition to new business partners, the implementation also applies to existing partners. The sustainability agreement currently covers 80% of the procurement volume. Furthermore, as part of the self-registration process, all new suppliers have to provide mandatory information about their environmental protection measures and how they deal with human rights. Particularly sustainable items are labelled as such in the product catalogue and are therefore readily identifiable to employees.

When issuing tenders for building management services, DekaBank makes sure that bidders comply with international environmental and social responsibility standards. Preference is given to service providers certified through an industry standard quality seal (e.g. EMAS, ISO 14001) or a recognised and accepted environmental seal. In addition, contractors undertake to perform the services to be provided in accordance with a quality management system under ISO 9001 et seq. In general, the activities described are to be carried out in a way which ensures that the health of those using the building is not endangered and that minimum ecological requirements as well as the legal occupational health and safety regulations are met.

Sustainable HR management

Any company that wants to provide the best services for its partners in the Sparkassen-Finanzgruppe and their customers must attract the best talents as an employer and continually give them room to develop. The comprehensive and sustainability-oriented HR management at DekaBank is therefore a central success factor for the value-driven development of the entire Bank and an essential aspect of corporate responsibility.

Management approach

DekaBank adopts a lifecycle-based approach to HR management. We deal in-depth with the individual needs of our employees that arise in different work-related and life situations; needs that are also subject to social change as well. We continually align our personnel-related measures with these requirements and through a uniform understanding and concept of management, ensure that they are implemented at all levels of the Bank.

Specifically, we strive

- to attract qualified young professionals by implementing an advanced HR marketing concept and to retain them at DekaBank for the long term,
- to enable employees to further develop their qualifications and skills,
- to ensure employee performance on a long-term basis through proactive healthcare and health management,
- to ensure a work-life balance by offering flexible working hours and tailored solutions for employees with children or those who have to care for family members, and
- to contribute to the sustainable development of DekaBank in the interests of the savings banks via a transparent and performance-related remuneration system that does not offer false incentives.

Through these measures, DekaBank is creating a safe, healthy, trustful and inclusive working environment, as well as an appropriate framework for utilising the personal expertise of each individual for the benefit of the value-driven overall bank strategy. The Bank is well-positioned in the competition for qualified and skilled personnel, a situation which will intensify further as a result of the demographic change.

A family friendly approach

Our flexible working time arrangements give both fathers and mothers more time for their families. This is demonstrated by the increase in the percentage of employees working part-time in the DekaBank Group (Germany) to 14.0% in 2011 (2010: 12.9%). We promote the work-life balance with more than 200 different part-time models and the option to take a sabbatical or unpaid leave. At the same time, we also make it easy for parents to return early from parental leave. Here, we focus in particular on mothers, who on average stay at home for 13.9 months after the birth of a child, whereas fathers return to the workplace after just 2.2 months. A total of 130 employees took parental leave in 2011, of which 38% were fathers (Fig. 8).

Part-time ratio (Fig. 8)

% (Group Germany)	2011	2010
Male	4.5	4.2
Female	29.2	27.4
Total	14.0	12.9

In the DekaBank Group, 51.1% of the employees manage their own hours, which means that they do not participate in the time recording system. The proportion of employees participating in the time recording system stood at 36.9% in 2011. 12% of the employees are not allocated to any working time model (for example temporary staff).

In cooperation with an external partner, we are able to offer our employees crèche and daycare spaces and can help arrange childcare in the event of an emergency; we also help employees organise childcare by providing advice and arrangement services. Since the Easter holidays in 2011, parents have also been able to book spaces for their children at children's holiday programmes for which we provide financial support. We provide funding for up to ten days at a holiday programme per child per year.

As a result of demographic developments, the issue of caring for family members is playing an increasingly important role. In such cases, we offer special support free of charge through professional partners in the form of eldercare advice and arrangements. By offering these services, we ease the burden

on our employees that results from such caregiving responsibilities as well as from having to organise and finance care. Our external partner assists them in the time-consuming and difficult task of finding care solutions, which consequently helps reduce rates of absenteeism and prevents employees from becoming preoccupied with these problems while at work.

Diversity

At the DekaBank Group, we view the diversity of our employees as an opportunity. Our customers and partners, and indeed DekaBank itself, benefit from the diverse backgrounds, life experiences and talents of our 3,957 employees worldwide, 3,459 of which are based in Germany. The consistent appreciation, inclusion and targeted fostering of the individual capabilities and skills of men and women, the old and the young, people with and without disabilities, as well as of employees of different ethnicities, cultures or sexual orientation are naturally part of our corporate culture and a cornerstone of our competitiveness.

Women in particular benefit from our options to promote a work-life balance and we do not want, nor can we afford, to lose the potential and expertise they offer in specialist and executive positions. As women are still underrepresented at the managerial level, as an employer we have assigned ourselves the task of additionally promoting qualified women and further increasing the proportion of women in top management. Consequently, we support talented women in their individual career planning by offering special seminars. This is already delivering results and in the reporting year, the proportion of women in executive positions in the Group in Germany rose slightly to 15.6% (2010: 14%); (Fig. 9).

Proportion of women in management levels¹⁾ (Fig. 9)

% (Group Germany)	2011	2010
1. Top management (M1)	8.7	8.3
2. Middle management (M2)	8.8	8.0
3. First level management (M3)	20.0	18.2
Total management	15.6	14.0
Total proportion of women	38.1	37.7

¹⁾ As of 31 December.

The work on gender diversity carried out by the two Equal Opportunities Officers is supported by the management of DekaBank. For example, the *DekaFrauenFokus* (Deka Focus on Women) takes place several times a year, providing women with a forum to discuss topics that affect them at work. Important issues and solution approaches with regard to the work-life balance are also discussed at regular parents' group meetings.

The representative for severely disabled employees ensures that the particular concerns of employees with disabilities or restricted mobility are taken into account in day-to-day operations. In addition to the employee representatives, the representative is also available as a contact person for people with disabilities or restricted mobility.

For our employees with different religious backgrounds, we have set up lounges for prayers that can also be used for meetings on religious topics.

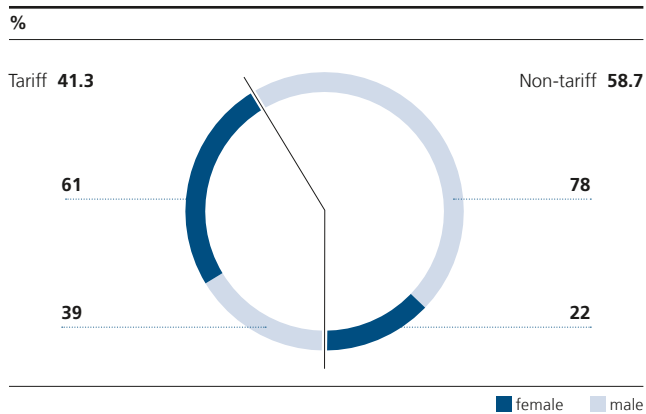
Along with the Equal Opportunity Officers and the Disability Officer, the external ombudsman is also available as a contact person for all employees.

Remuneration

DekaBank's performance-oriented remuneration system is structured to optimally support its sustainable corporate strategy. We therefore consistently avoid incentives for excessive risk-taking in accordance with the regulatory requirements. The variable remuneration is appropriately proportional to the fixed salaries and is based on a multi-year assessment, thereby promoting alignment with the company's long-term success. We completed the revision of our remuneration system in response to the introduction of the Remuneration Ordinance for Institutions in the reporting year. The introduction of salary bands facilitates success- and performance-based remuneration in line with market conditions.

In Germany, 41% of Group employees are covered by collective bargaining or tariff agreements. Non-tariff contracts were concluded with 59% of the workforce. As a matter of principle, remuneration is strictly independent of gender. Remuneration is based solely on the employee's function and performance (Fig. 10).

Breakdown of remuneration (Fig. 10)



Employees have the option of depositing bonus payments, holiday leave and arranged overtime into working hours accounts so they can retire earlier or take temporary leave of absences in the form of a sabbatical. Furthermore, along with the benefits provided by the employer under collective bargaining agreements, DekaBank grants additional benefits on a voluntary basis. These include group accident and corporate travel insurance, a "job ticket" travel card for employees at the Frankfurt/Main location and corresponding arrangements at other DekaBank Group sites, as well as capital-forming payments.

Permanent employees receive an employer-funded company pension and variable remuneration. Part-time employees receive these benefits in accordance with their part-time ratio. Details on pension obligations can be found on pages 157 to 158 in the consolidated financial statements.

Personnel development and further training

A transparent and binding process is in place to support the development of our employees. As part of this process, we not only agree on targets and define the support measures required to attain them, but also draw up individual development plans for employees. The performance review process was revised in financial year 2011 and supplemented by a development plan based on central questions. 89.9% of our employees attend regular target-setting meetings.

We want to maintain and enhance the skills and performance of our employees in the long term. Consequently, we set great store by their continuing professional development. The "Deka-Bank Colleg" offers seminars to develop professional, personal and social skills, project management skills, management expertise, IT skills and language courses, which build on the existing skills and expertise of the participants. Qualification requirements are met by individual coaching, team training sessions and cross-team training. We also offer orientation seminars for new employees.

Our ongoing commitment to personnel development is paying off and the high level of employee satisfaction is reflected in the staff turnover rate which remains low at 5.1%.

The leadership curriculum gives all managers in the Bank a uniform concept and understanding of management as well as core competencies that are required in actual management practice within the DekaBank Group. In March 2011, for example, we introduced a "Manager as Coach" intensive training course. During the course, line managers work in small groups comprising a maximum of eight people and two trainers and examine what coaching really means in day-to-day management and how this method fits with other management tools.

Furthermore, our employees can attend open training sessions run by external providers or receive support from the DekaBank Group for part-time qualification measures. Overall, the DekaBank Group's financial expenses for continuing professional development and further training in Germany amounted to €1,435 per employee. This figure does not include expenses for further training that took place as part of projects.

As we also want to provide appropriate support for interns, we participate in the Fair Company initiative run by the *Handelsblatt* publishing group. The Fair Company quality seal is awarded to companies who advocate an ethical approach in the world of work and give graduates a fair chance of permanent employment and interesting tasks during their internship.

Healthcare and health management

Our modern health management system, which is integrated in the processes of the entire Bank, is a strategic competitive factor, since it creates the necessary framework conditions for maintaining and promoting personal performance and thus the sustainable success of the company. Our responsibility for the physical and mental well-being of our employees also stems from our duty of care as an employer. In addition to offering individual measures we motivate employees to actively take responsibility for their own health.

DekaBank issued its first Health Report in financial year 2011. The report, which is prepared for internal purposes, documents the status of our comprehensive health management system, which goes far beyond individual measures and provides employees with a range of different offerings. These were supplemented with informational events.

The health management system is based on four central pillars:

- physical activity,
- nutrition,
- medicine and prevention,
- mental health.

A wide range of tailored options are available to employees within these four pillars: preventative medical checkups for executive staff, flu vaccinations, regular workplace inspections to evaluate ergonomic aspects, presentations on healthy eating, courses on back care and exercises, health days and the Bank's own Deka Health Centre all help prevent illnesses and health-related problems that affect performance. A particular focus is put on measures to support mental health.

The Employee Assistance Programme represents a key component in the prevention of mental stress and illnesses. In difficult situations, both professional and personal, all employees based in Germany or abroad and any family members in their household can talk to doctors, psychologists and other consultants from an independent advisory service – free of charge. The consultations take place by phone or in person. The service is open 24 hours a day, 365 days a year. Both the contact with the service and any advice given are treated in the strictest confidence and upon request can be handled on a completely anonymous basis. DekaBank is therefore addressing the trend, which studies have corroborated, that mental health problems are becoming the main reason for absence due to illness.

Company integration management also helps prevent lengthy illness-related absences. The support we provide for the employees concerned in order to help them regain their ability to work goes beyond the statutory requirements.

The average illness rate for employees at DekaBank Group locations in Germany was 3.7% during the 2011 reporting period.

Auditing

DekaBank's personnel policy is regularly certified by "audit berufundfamilie". We took part in our second re-audit in the autumn of 2011, highlighting our sustainable family-friendly personnel policy. The quality seal of the initiative, which is under the patronage of the German Minister of Family Affairs and the German Minister of Economics, will be presented in the spring of 2012.

Our health management system was awarded the *Prädikat* seal in the Corporate Health Awards in the autumn of 2009 and the *Exzellenz* seal in the autumn of 2010 and 2011. The initiators of the Corporate Health Awards – *Handelsblatt*, *TÜV Süd* and *EuPD Research* – certify companies that demonstrably show above-average commitment to the health of their employees and pursue a forward-looking, sustainable HR strategy. Consequently, this certifies the outstanding level of corporate health management at the DekaBank Group, which is among the best in the country and ranks second place in the Finance/Insurance category in Germany.

DekaBank's particular commitment to health management at work was distinguished by the jury for the *Deutscher Unternehmenspreis Gesundheit* (German Corporate Award for Health) in 2011 and the Bank was awarded the "Move Europe Partner Excellence" certificate.

Sustainable banking products

Solar power and wind power for thousands of households – co-financed by DekaBank. More and more green buildings in Deka property fund portfolios. Access to clean investments that comply not only with economic criteria but also ecological and social principles for savings bank customers – made possible by the Deka-Nachhaltigkeit fund family. Three examples from financial year 2011 all demonstrate the same point: sustainability is not just lip service at DekaBank. DekaBank's approach is thus a 100% match with the philosophy of the savings banks, which have always operated on a sustainable basis with a focus on the common good. For the growing number of investors and securities savers for whom both aspects are important – who want to preserve and increase their assets whilst at the same time making a personal contribution towards the conservation of natural resources for future generations – the savings banks and DekaBank are the partners of choice.

Management approach

Sustainable development not only reduces business and social risks, but also opens up new opportunities for growth and added value. In the interests of our customers, owners and employees, we therefore not only want to comply with legal and regulatory requirements, but also meet ethical and social standards.

In asset management at DekaBank, sustainability has long been a central variable alongside yield, risk and liquidity. But it is not just products explicitly labelled as sustainable, such as the Deka-Nachhaltigkeit fund family launched at the end of 2011, that offer investors responsible and profitable investment opportunities. Asset managers in the AMI business division, for example, pay special attention to certified energy efficiency and environmental sustainability when making new acquisitions and modernising existing properties.

To optimally meet the growing social and ecological requirements of the savings banks and their customers, we work with other organisations including the *Institut für Markt-Umwelt-Gesellschaft* (Institute for Market, Environment and Society – imug), which specialises in socio-ecological corporate analyses and assists us in the selection of securities for sustainable fund products. In project financing, DekaBank consistently applies the Equator Principles, which was signed in March 2011, and sets high benchmarks for environmental and social standards.

In addition to our range of banking products, raising awareness and interest in sustainable banking products in society is a central element of our sustainability strategy. Consequently, in the reporting year, we started to support the nationwide "Gut" umbrella campaign run by the *Sparkassen-Finanzgruppe* with campaigns and training sessions on our products. As part of the DSGVO "Environment and Sustainability" project,

DekaBank also expanded its product assortment of sustainable funds at the end of 2011 with the Deka-Nachhaltigkeit fund family, which comprises an equity fund, bond fund and a mixed fund. This enlargement of the range of sustainable investments underscores the Bank's commitment to promoting sustainability.

The DekaBank Group is also involved in the „Hoch im Kurs“ education initiative of the *Bundesverband Investment und Asset Management* (BVI) and provides speakers to give presentations at schools. These are aimed at explaining financial issues to the pupils to help increase the general understanding of funds and other forms of investment.

Sales support

With their uniquely dense network of around 15,600 branches throughout Germany, the 429 savings banks in the *Sparkassen-Finanzgruppe* are the ideal sales partner for Deka investment funds. Savings bank customers throughout the country can achieve their individual investment targets using DekaBank products. We believe that due to their risk-diversification effect, mutual securities and property funds play a major role in the accumulation of financial assets by private households that are so important for the national economy. That is why we are involved in the "Environment and Sustainability" project run by the *Sparkassen-Finanzgruppe*, which is aimed at positioning the securities business on a forward-looking basis.

In addition to attractive products, the quality of advice available to customers locally is of key importance. To ensure that the products, some of which are complex, are explained in line with the customers' requirements, we support the customer advisers at the savings banks, not only with extensive product information, but also with training and suggestions for sales

and marketing. As a matter of course, our product information complies with legal requirements regarding advertising and marketing.

Furthermore, we support the savings banks, as our exclusive sales partner, with the organisation of customer events on the topic of sustainability and sustainable investments by providing speakers as well as extensive informational material on our expanded range of sustainable fund products. We further develop this cooperation as part of our ongoing dialogue with the savings banks. Naturally this is based on compliance with both legal and supervisory requirements, which is ensured through stringent processes. This cooperation has proven fruitful for all parties concerned: savings bank customers receive information on the options available for responsible financial investments, while our experts learn more about the needs of the market at these events.

Asset management in securities

All of the fund products managed by DekaBank, including fund-linked asset management, incorporate individual sustainability criteria in their investment decisions. We see sustainable actions and development as safeguarding the future, and thus as features of an attractive investment. We firmly believe that share prices are just as strongly influenced by environmental and social issues as they are by bond yields.

In addition, more and more investors are actively interested in what happens with the money they invest, especially in view of the growing criticism of ethically dubious banking products. In order to satisfy the resultant growing demand for investment solutions that meet particularly stringent sustainability criteria, DekaBank substantially expanded its range of products in financial year 2011.

With the Deka-Nachhaltigkeit (equities/bonds/balance) investment funds, investors can invest specifically in companies that operate sustainably in terms of economic, environmental and social criteria. To select the securities included in the funds, DekaBank works in partnership with the *Institut für Markt-Umwelt-Gesellschaft* (imug) and the Ethical Investment Research Service (EIRIS), two established specialists in ethical investments.

The new fund family rounds out DekaBank's existing line of sustainable investment products, which also includes the DekaSelect: Nachhaltigkeit fund of funds and the Deka-Stiftungen Balance mixed fund. The Deka-UmweltInvest equity fund, which invests in companies worldwide that operate in the fields of climate protection, environmental protection, water management and renewable energies, supplements our commitment.

As at 31 December 2011, the volume of our investment funds geared towards sustainability totalled approximately to €1.1bn. Over the year, DekaBank recorded a decline of 8% in this investment segment, which was essentially due to the very difficult conditions in the capital market.

However, we do not limit the strict implementation of our understanding and concept of sustainability to our investment funds. Consequently, we also express our viewpoint on sustainability aspects, as on other issues, including through our voting rights.

Asset management in real estate

Investments in energy-efficient and ecological buildings not only benefit the tenants, but also our investors, who achieve an attractive long term yield. That is why we strive to have our properties certified by the Green Building Certification Institute (GBCI). The certification is issued to buildings that are energy-efficient and therefore eco-friendly and which are designed, built and operated in conformity with health standards. The relevant factors for certification are water efficiency, the materials used and the air quality in the building. Compliance with these criteria not only meets ecological and social requirements, but also reduces lifecycle costs for the owners.

All buildings held in our fund portfolios now have a building profile, which also includes all the environmentally relevant building data. In addition to this, energy passports are being developed in many European countries for the purpose of documenting consumption figures for properties. Through the commitment declaration that has applied to service providers in building management since the reporting year, we ensure that the cleaning and waste disposal services also take sustainability aspects into account (see page 119).

Many of the properties we have recently acquired are already certified as „green buildings“, and this is now also a prerequisite of our major international tenants in particular. Of the properties in our mutual funds, 34 are certified as green buildings or are set to be certified in the near future. This already equates to more than 10% of all our properties and we aim to increase this ratio to over 40% by 2015. Among these will be the former *Poseidon-Haus* building in Frankfurt/Main, which is currently being enlarged for ING Diba and, following the renovation, is set to receive the Leadership in Energy and Environment Design (LEED) gold certificate from the GBCI as a green building. In principle, we endeavour to achieve further certifications in respect of sustainability. At present, the certification systems still differ around the world and a uniform international certification standard does not yet exist.

Studies are also being conducted to determine how ecology and economy can be even better integrated. A good example of this is the letting of large flat roofs on our logistics properties, where photovoltaic units have been installed to produce energy, generating both green electricity and additional income for our customers. These should start producing power in 2012.

Asset management-related lending business

One of the ways that DekaBank's sustainability strategy is reflected in its lending business is through its support for projects that promote the economic cycles in the respective regions. Loans in the renewable energies segments are particularly appropriate in this regard and in the reporting period, 60% of the financing we provided was related to energy production capacities. In addition to solar parks and onshore wind farms in Germany and abroad, with *Nordsee-Windpark Global Tech I*, DekaBank is the first co-financier of an offshore facility together with the European Investment Bank and 15 other commercial lenders. The 80 wind turbines generate enough power to supply around 445,000 households. In contrast, transactions that do not meet our sustainability criteria are undesirable and also pose a higher risk to our business.

In March 2011, we signed the Equator Principles, highlighting the importance we attach to responsibility for the environment and society with regard to our corporate actions and

development. By committing to these principles, we undertake to comply with strict environmental and social standards when making our investment decisions, especially in relation to project finance. The details can be found in the section on sustainable corporate governance (see pages 113 to 115).

Using the criteria, we conduct a critical assessment of the following business areas:

- financing relating to arms transactions (financing suppliers, manufacturers and trading companies) to countries or recipients in areas of conflict outside NATO,
- financing which gives rise per se to significant risks for the environment (based on OECD environmental guidelines),
- lending transactions where public reporting (including as a result of socio-cultural aspects) about the financing itself, about a business partner or business practice, could adversely affect public trust in our Bank in the long term.

Equator Principles Reporting



Project finance reviewed (> USD 10bn) by sector and region (Fig. 11)

EP category	Oil & Gas	Commodities	Power	Other
A	1	–	–	–
B	–	–	–	–
C	–	–	–	–
Total	–	–	–	–

EP category	Europe (EU)	Europe (Non-EU)	North America	South America	Asia	Middle East & Africa	Australia & Other
A	–	1	–	–	–	–	–
B	–	–	–	–	–	–	–
C	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–

Category A: Projects with potential significant adverse social or environmental impacts which are diverse, irreversible or unprecedented.

Category B: Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C: Projects with minimal or no social or environmental impacts.

Social responsibility

Together with the savings banks, DekaBank assumes responsibility for people in Germany and makes an active contribution to strengthening social structures and improving the quality of life in local areas. Social responsibility is firmly enshrined in our corporate culture and is supported by the Board of Management and employees alike.

Management approach

Our commitment and involvement is twofold: As a partner of the savings banks, we participate in the national support on the part of the *Sparkassen-Finanzgruppe*. On the other, our involvement also includes our own projects and long-term partnerships, especially providing support for contemporary art and architecture, social projects and academic institutions. This agenda makes us a reliable partner for selected aid organisations and research institutions.

DekaBank's social responsibility also includes supporting the private commitment of its employees.

Joint activities with the *Sparkassen-Finanzgruppe*

As an important social institution, the *Sparkassen-Finanzgruppe* and its 718 foundations support social and cultural projects in their local regions and throughout Germany. DekaBank provides assistance for three major national projects.

In addition to the *Staatliche Kunstsammlungen Dresden* museum, with which a partnership has been in place since 2006, the *Sparkassen-Finanzgruppe* has been supporting the *Staatliche Museen zu Berlin* (National Museum) since 2011, which comprise a total of 15 collections, three research organisations and a Replica Workshop. As the main sponsor, the *Sparkassen-Finanzgruppe* is co-financing projects in youth education as well as fascinating exhibitions such as "Divided Heaven. 1945–1968" at the New National Gallery and "100 Years of Nefertiti" at the New Museum.

Moreover, with substantial support from DekaBank, the *Sparkassen-Finanzgruppe* has been a partner of the German Olympic Sports Association (*Deutscher Olympischer Sportbund*) since 2008. As a national sponsor, we have already supported top German athletes at the Olympic Games in Beijing in 2008 and the Winter Olympics in Vancouver in 2010. We will also be on board at the next Olympic Games in London in the summer of 2012.

Support for architecture and contemporary art

As a longstanding partner of the MMK *Museum für Moderne Kunst* (Museum of Modern Art) in Frankfurt/Main, DekaBank, together with Helaba and DSGV, supported the anniversary exhibition „MMK 1991–2011. 20 years of Presence“. As part of this exhibition, the three main sponsors presented photographic highlights and artist's books from the MMK collection at their respective locations since the end of September 2011, under the joint exhibition title "Parallels". Key pieces by Thomas Ruff, Candida Höfer, Taryn Simon, Tobias Zielony and Larry Sultan & Mike Mandel were on exhibition at DekaBank from 30 September 2011 to 12 January 2012.

The International Highrise Award has been bestowed by the City of Frankfurt/Main, the *Deutsches Architekturmuseum* (German Museum of Architecture) and DekaBank every two years since 2004. The award recognises buildings that combine exceptional aesthetics, forward-looking design and integration in the urban landscape with innovative technology, efficiency and sustainability. The award is judged by an international jury of experts. The next award ceremony will be held at the *Paulskirche* church in November 2012.

Social commitment

DekaBank's social commitment begins in its immediate environment in Frankfurt/Main. In March 2011, a second centre for disadvantaged children from socially deprived areas was opened in the Nordweststadt district of Frankfurt by the charitable Christian organisation *Kinder- und Jugendhilfswerks Arche e.V.* with the support of DekaBank. DekaBank had already supported the opening of the first Arche centre in Frankfurt-Griesheim in 2010. The centre provides the children with a hot meal, a quiet room for homework as well as two other rooms where they can give free rein to their creativity. Together, the two Arche centres care for around 270 children every weekday. DekaBank trainees also collected money for the new Arche centre at the company's Christmas party in Frankfurt. These donations totalled almost €1,500 and are to be used for the Arche's holiday programmes.

However, our social commitment is not restricted to our local area, and through our longstanding partnership with the Don Bosco Mission we also support international activities: by providing funding of €25,000 in each case, we sponsored the construction of a vocational training centre in Kep, Cambodia, as well as a street kids project in Freetown, Sierra Leone. Since 2004, DekaBank has donated €295,000 to support the work of the Don Bosco Mission.

DekaBank is also a reliable partner of the annual German Golf Charity Cup to benefit the non-profit organisations *Deutsche Krebshilfe e.V./Deutsche KinderKrebshilfe e.V.* (German Cancer Aid/German Children's Cancer Aid), for which we are a general sponsor. Around 150 golf clubs in Germany take part in this event, which is Europe's biggest charity golf tournament. The proceeds, which are in the six-digit range, are topped up by a further generous donation from DekaBank to support the work of *Deutsche KinderKrebshilfe e.V.*

Since 2007, we have also been fostering and supporting the social commitment of our employees through our traditional Christmas donation as part of the „*DekaBank – Engagiert vor Ort*“ (DekaBank – Making a Local Commitment) campaign. Every year our employees can apply for a donation of €1,000 for “their” project. In 2011, the amount available totalled €25,000.

The Eschersheim Youth Office in Frankfurt/Main received a donation of €5,200 from the DekaBank's Staff Council Social Foundation. The money is intended to enable six young people from socially disadvantaged families to take part in an educational trip. Since 1999, DekaBank's Staff Council Social Foundation has been providing support, initially to DekaBank employees in need of assistance, but starting in 2008, also to promote the involvement of employees in social or non-profit projects in the fields of academia, science, art, monument conservation and culture.

The AMI business division also participated in the “Clean Working Day” campaign organised by the Ministry of Environment in the German state of Hesse. Equipped with gloves, rubbish bags and long-handled litter pickers, employees from the Accounting unit spent an hour clearing litter and waste from the park Taunusanlage.

Support for academic institutions

Support for studies and academics at universities is a central pillar of our social commitment. Here, we focus on fostering disciplines that are closely related to our area of business.

For example, we have been supporting the Centre for Financial Studies at the House of Finance at the Goethe University in Frankfurt/Main for several years on behalf of the *Sparkassen-Finanzgruppe*.

As the issue of sustainability in the financial sector is a topic which we believe should be included in the university curriculum, in 2011 we decided to endow a chair in Sustainable Banking and Finance, with a focus on Sustainable Corporate Governance, at the House of Finance at Goethe University.

Communications

Transparency is the basis for sustainable development. This is why DekaBank attaches great importance to open communications when it comes to pursuing its sustainability strategy in particular. The regular dialogue with our stakeholders on the ethical, social and ecological aspects of our activities enables us to continually review the implementation of our goals. In this sense, we view DekaBank's sustainability strategy as an ongoing learning process for the entire company.

Dialogue with the savings banks

The commitment and activities of the savings banks and DekaBank are coordinated and complement each other. Through the specialist advisory committees that advise the Board of Management as well as the various sales committees, DekaBank actively involves the expertise of the *Sparkassen-Finanzgruppe* in its decision-making process.

We maintain a close dialogue with our owners about all issues regarding sustainability via executive bodies, joint projects and workshops.

Dialogue with other stakeholders

In addition to the extensive dialogue with the savings banks, in-depth market monitoring and regular interaction with various social groups ensures that the relevant stakeholders are involved on a targeted basis at an early stage. Their suggestions on the topic of sustainability, as with on all other issues that affect the Group, are taken into consideration with regard to our business policy and strategic decisions.

In reporting year 2011 we extended our dialogue with non-governmental organisations (NGOs) and value this as an important source of ideas for our work.

The main stakeholders in this dialogue are:

- Savings bank customers and institutional investors,
- employees/employee representatives,
- supervisory authorities,
- suppliers,
- associations and organisations,
- academic institutions,
- rating agencies and analysts,
- non-governmental organisation (NGOs).

Dialogue with savings bank customers and institutional investors

We identify the needs and requirements of both private and institutional investors through regular detailed surveys and the very close contact that our Sales units maintain with customer advisers and other managers in the savings banks. We discuss the results in depth and derive measures from them which can be used to further improve DekaBank's performance and its sustainable strategy. The insights into investor trends also provide an important impetus for the design of new sustainability products.

Investors and analysts receive comprehensive and timely information on our business strategy and development, both directly as well as via rating agencies. In addition to the report in the Annual Report, we also provide regular information on the implementation of our sustainability strategy in the sustainability section of our website.

Dialogue with employees and employee representatives

With the assistance of an independent adviser, we regularly conduct staff surveys on subjects such as management and corporate culture. The Board of Management maintains a close dialogue based on trust with the employee representatives of the DekaBank Group. Our employees are represented by the Staff Committee and Works Council (Germany) and the Comité Mixte (Luxembourg). Furthermore, the Disability Officer and Equal Opportunity Officer serve as internal contact persons and provide assistance to our employees in the event of problems at the workplace.

We see employee innovation as a real benefit that we are happy to reward. We have received numerous proposals and suggestions through our well-established and multi award-winning idea management system, and many of these ideas have been implemented.

During its day-to-day HR activities, the DekaBank Group always ensures that the employee bodies (WorksCouncil, Disability Officer, Equal Opportunity Officer) are involved as promptly as possible. The relevant information is passed on to employees as quickly as possible through publication on internal company media or by e-mail.

This ongoing dialogue not only stems from the precept of a cooperation based on trust, but also from the desire to be open and transparent. We consider these principles as an essential prerequisite to successfully implementing change processes with the support of all involved.

Dialogue with supervisory authorities

During the course of our business operations we are in regular contact with the supervisory authorities relevant to our Bank. We also actively assist with the further development of relevant topics related to supervisory law.

Dialogue with suppliers

Through constructive cooperation with our specialist departments and our suppliers, our Procurement Management ensures quality and success in the procurement process, right from the outset. Here we set great store by long-term partnerships and maintain a dialogue with our contractors, particularly with regard to issues relating to sustainability. The demands that we make of ourselves as a Group are also directed at our suppliers and service providers. Binding guidelines for sustainable procurement on both sides thus form the basis for our business relationships.

Dialogue with associations and organisations

The DekaBank Group is an active member of various associations and organisations and is driving forward the debate in these bodies on conserving resources and structuring business processes in a socially responsible manner. We are therefore helping to create a broad forum for dealing with issues related to sustainability. Furthermore, we exchange information and ideas with other members on relevant topics. Through our membership in these organisations, we make our

internal expertise available to politicians and policymakers exclusively in the interests of our shareholders. The following institutions should especially be mentioned in this regard:

- *Bundesverband Investment und Asset Management (BVI) e.V.*,
- *Bundesverband Öffentlicher Banken Deutschlands e.V.*
(Association of German Public Sector Banks – VÖB),
- *DAI Deutsches Aktieninstitut e.V.*
(German Equities Institute),
- *Deutscher Sparkassen- und Giroverband e.V.*
(German Savings Banks and Giro Association),
- EFAMA – European Fund and Asset Management Association,
- European Association of Public Banks,
- *Forum Nachhaltige Geldanlagen*
(Forum for Sustainable Financial Investments),
- *Institut der deutschen Wirtschaft*
(German Institute for Economic Research),
- *Umweltforum Rhein-Main e.V.*
(Rhine-Main Environmental Forum),
- *Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.*
(Association for Environmental Management and Sustainability in Financial Institutions),
- CRIC Corporate Responsibility Interface Center e.V.,
- CDP Carbon Disclosure Project,
- WDP Water Disclosure Project.

Dialogue with academic institutions

DekaBank is also an active member of various non-profit associations and institutions with economic, social and social sciences backgrounds that deal with issues relating to sustainability. Regular exchange of ideas and information with academic institutions enables us to include the latest theoretical findings in our day-to-day operations. We see financial support for universities as an opportunity to further promote this dialogue and drive forward research.

Valuation by rating agencies

Rating agencies specialised in sustainability are very important for investors who put a top priority on ecological and social aspects, since these agencies make it easier to compare the sustainability reporting of companies that is based on different standards. Consequently, these agencies are also an important point of reference for the further development of DekaBank's sustainability strategy. In this context, our focus is on three rating agencies, both for internal purposes as well as in communications with our stakeholders. In the reporting year, all three agencies upgraded their ratings for DekaBank compared with the previous year.

imug

The imug rating, which concentrates mainly on public sector and mortgage *Pfandbriefe*, already upgraded DekaBank from its previous rating of „neutral“ to „positive“ in 2010. This rating was affirmed in 2011. Environmental management, social and governance aspects were highlighted here in particular.

oekom

DekaBank achieved „prime“ status in the corporate rating conducted by oekom for the first time in 2011. This makes us one of the leading companies in our industry with regard to the issue of sustainability and we are recommended by oekom to investors who take social and ecological aspects into consideration when investing.

sustainalytics

The rating experts at sustainalytics rank us 14th out of 63 rated companies (as compared to 17th out of 51 rated companies in 2010). In the reporting year, we therefore achieved a better rating from sustainalytics than in the previous year as well.

GRI Guidelines

The Sustainability Report was prepared on the basis of the Guidelines of the Global Reporting Initiative (GRI) including the Financial Services Sector Supplement. The GRI was set up in 1997 with the aim of developing and disseminating an internationally recognised guideline for voluntary reporting of the economic, ecological and social performance of organisations and companies. The companies themselves decide which aspects they take into account and consequently the degree of transparency they provide.

It is our assessment that this report complies with GRI Application Level A (Fig. 12). This means that we now take every aspect of the GRI Guidelines into account and thus provide the greatest level of transparency.

GRI Application Level (Fig. 12)

		C	C+	B	B+	A	A+
Mandatory	Self-declared		Report externally assured		Report externally assured	<input checked="" type="checkbox"/>	Report externally assured
	Third party checked		Report externally assured		Report externally assured		Report externally assured
Optional	GRI checked		Report externally assured		Report externally assured		Report externally assured

The GRI Content Index, which we have published at www.dekabank.de provides an overview of all of the GRI indicators reported with a cross-reference to the corresponding DekaBank publications in which the respective information can be found.

Contact points for questions regarding corporate sustainability reporting

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