



# DZ BANK Group Sustainability

2024

 **DZ BANK** Group

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# 1. General

# Sustainability is part of the DZ BANK Group's corporate DNA

## Our understanding of sustainability



Entrepreneurial self-responsibility and responsibility for the community are strongly anchored at DZ BANK as an institution within the cooperative financial network.



Early involvement in international initiatives - Global Compact already signed in 2008 and Equator Principles in 2013.



Stable ESG ratings from the most important rating agencies as an indicator of sustainable business policy.



Integration of sustainability risks into DZ BANK's risk management for many years, especially in the lending business and in project financing.



Together with the cooperative banks, DZ BANK is one of the most important lenders in the segment project financing for renewable energies.



On the refinancing side, the award of "green" loans since 2018 has meanwhile been accompanied by three green bond issues by DZ BANK AG.



Union Investment as one of the pioneers on the capital investment side. As the market leader in sustainable investments, it manages around EUR 80 bn in designated sustainable funds and mandates.

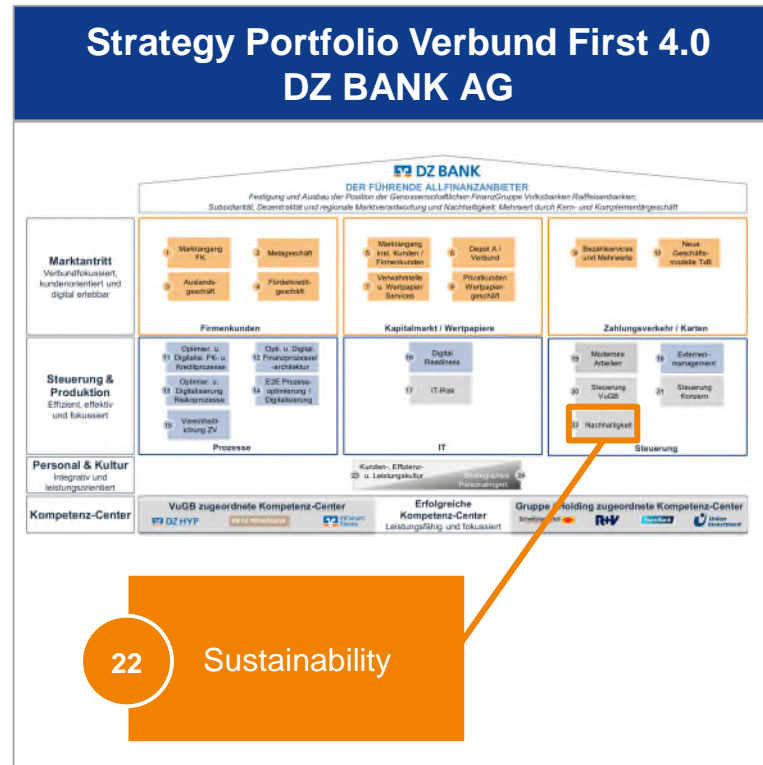


Bausparkasse Schwäbisch Hall and DZ HYP are leading companies that promote and finance energy efficiency improvements in the real estate sector.

# Sustainability is Anchored in the Corporate Values and Strategy of DZ BANK AG and the DZ Bank Group

## Values DZ BANK

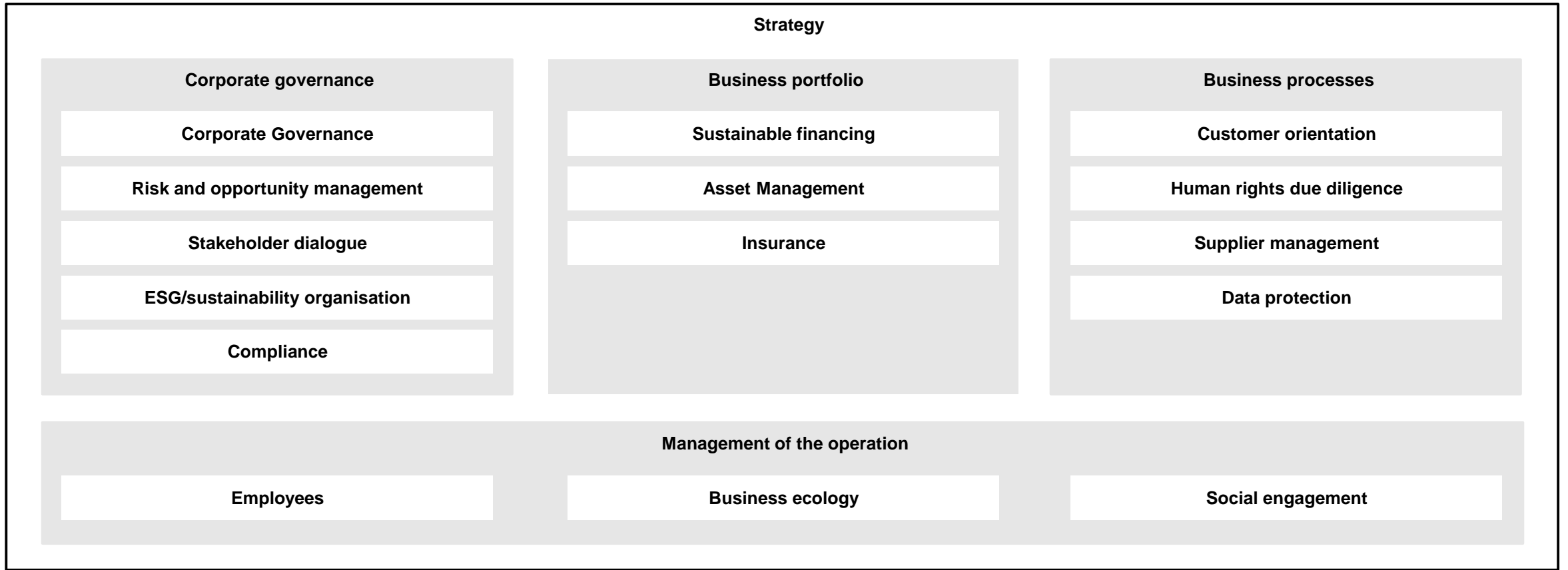
Courage Performance  
Partnership  
Security Innovation  
Cosmopolitanism  
**Sustainability**  
Consistency



- ## Opportunity fields DZ BANK Group
- 1 Capital Market and Depository
  - 2 Cooperation Corporate Banking
  - 3 Platforms, Ecosystems and Smart Data
  - 4 Sustainability**
  - 5 Treasury and Refinancing
  - 6 Human Resources Management
  - 7
    - a Optimisation Purchasing
    - b Optimisation IT / Shared Services

# DZ BANK Works on the Topic of Sustainability Holistically and With High Priority

## Overview of the fields of action / NH framework



# Building on a solid foundation, the DZ BANK Group is continuing to enhance its sustainability profile

## Strategic activities



▶ Top priority and governance at CEO level



▶ Central sustainability unit at DZ BANK AG



▶ Products and solutions in the DZ BANK Group with a focus on sustainability



▶ Development of sustainability classifications for the portfolio (impact, opportunities / risks)





▶ Enhancing exclusion criteria and sectoral rules



▶ Enhancing reporting process with regard to sustainability/ESG




# DZ BANK formulates concrete, measurable targets for sustainability

## QUANTITATIVE GOALS: OVERVIEW OF CURRENT, UPDATED, AND NEW SUSTAINABILITY GOALS OF DZ BANK FROM 2024 ONWARD

E, S, or G	Subject	Goal	Actual Dec. 31, 2023	Target value	Target year
 <b>General</b>	Portfolio (DZ BANK AG) <sup>1</sup>	Expand positive SDG impacts	63.7%	2/3	2026
	Rating	Maintain current ISS-ESG and MSCI rating	ISS C+ (group) MSCI AA (AG)	maintain	permanently
 <b>Environment (E)</b>	Portfolio (DZ BANK AG)	General: Align portfolio <sup>2</sup> with the 1.5°C target and a net zero future <sup>3</sup>	-13.5%	≤ 0% deviation from sectoral goals	2023/30/40/50
		Energy <sup>3</sup>	100kg CO <sub>2</sub> e/MWh	See DZ BANK banking group	See DZ BANK banking group
		Automotive <sup>3</sup>	0.14kg CO <sub>2</sub> /km		
		Steel <sup>3</sup>	1.07kg CO <sub>2</sub> e/kg		
		Cement <sup>3</sup>	0.64kg CO <sub>2</sub> e/kg		
		Aviation <sup>3</sup>	0.104kg CO <sub>2</sub> /pkm		
		Shipping <sup>3</sup>	9.09g CO <sub>2</sub> e/dwt or gt nm		
		Increase renewable energies funding volume <sup>4</sup>	€7.38 billion		
	Portfolio (DZ BANK banking group)	Energy <sup>3, 5</sup>	101kg CO <sub>2</sub> e/MWh	107   78	2025   2030
		Automotive <sup>3, 5</sup>	0.14kg CO <sub>2</sub> /km	0.14   0.11	2025   2030
		Steel <sup>3, 5</sup>	1.07kg CO <sub>2</sub> e/kg	1.05   0.92	2025   2030
		Cement <sup>3, 5</sup>	0.64kg CO <sub>2</sub> e/kg	0.60   0.53	2025   2030
		Aviation <sup>3, 5</sup>	0.104kg CO <sub>2</sub> /pkm	0.096   0.076	2025   2030
		Shipping <sup>3, 5</sup>	9.09g CO <sub>2</sub> e/dwt or gt nm	8.86   8.44 <sup>6</sup>	2025   2030
Commercial real estate <sup>3, 7</sup>		40.89kg CO <sub>2</sub> e/m <sup>2</sup> a	38.15   26.01	2026   2030	
Private real estate <sup>7</sup>		44.17kg CO <sub>2</sub> e/m <sup>2</sup> a	38.98   27.63	2026   2030	



# DZ BANK formulates concrete, measurable targets for sustainability

E, S, or G	Subject	Goal	Actual Dec. 31, 2023	Target value	Target year
 <b>Environment (E)</b>	Portfolio (Union Investment)	Sustainable assets under management as a proportion of all assets under management <sup>8</sup>	19.9%	22%	2024
	Operations (DZ BANK Group)	Lower operational CO <sub>2</sub> emissions <sup>3</sup>	45.69% <sup>9</sup>	Reduction of 65% relative to 2009   climate-neutral	2030   2045
 <b>Social (S)</b>	Operations (DZ BANK AG)	Employee satisfaction: Organizational Commitment Index	80%	> 70%	permanently
 <b>Governance (G)</b>	Operations	Proportion of women on management bodies			
		• DZ BANK AG Board of Managing Directors	25%	25%	2024 <sup>10</sup>
		• DZ BANK AG Supervisory Board	25%	25%	2024 <sup>10</sup>
		• DZ BANK AG all levels	23.8%	25%	2030
• DZ BANK Group Board of Managing Directors	23.7%	30%	2030		

1 Corporate customer lending business (methodological differentiation > section 7.1 Impact transparency)

2 Banking book excl. funds, disclosure for target year 2023

3 Not assessed

4 Definition in accordance with the risk report in the group management report of the DZ BANK Group and in the management report of DZ BANK AG

5 The targets for DZ BANK AG were applied to the DZ BANK banking group in these six sectors for the target years disclosed here.

6 The methodology in the shipping sector is based on the Poseidon Principles, which define targets per type and size of vessel. Alignment is measured as the relative distance to the decarbonization target per type and size of vessel. To ensure consistency, the target for shipping was defined as physical emissions intensity.

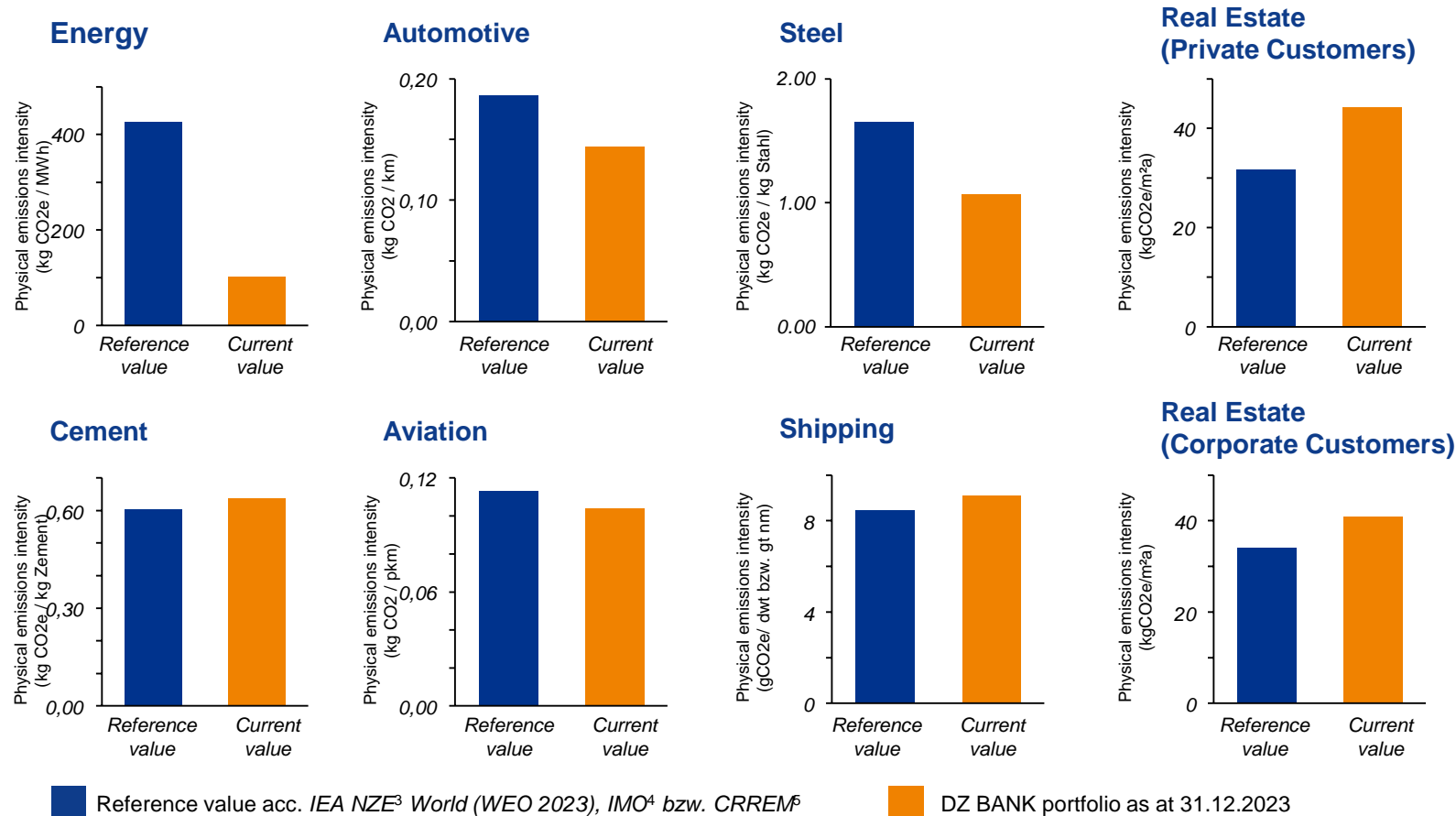
7 Targets for the real estate sector were defined for the DZ BANK banking group for the target years disclosed here. DZ BANK AG does not have a business portfolio in the real estate sector.

8 Switch from disclosure of an absolute target variable (sustainable assets under management) in the prior year to a relative target variable

9 Actual December 31, 2022

10 In accordance with DZ BANK AG's diversity policy for the Board of Managing Directors and Supervisory Board, valid until December 31, 2027

# Sustainability – climate alignment: DZ BANK AG in a good starting position



**Objectives of DZ BANK AG:** DZ BANK's aim is to bring the finance portfolio<sup>1</sup> into line with the 1.5 °C target and the 'net-zero future' principle. DZ BANK is actively supporting its customers' transformation processes.

**Methodology:** DZ BANK AG is following the PACTA<sup>2</sup> methodology and using the 'net zero by 2050' climate roadmap of the International Energy Agency<sup>3</sup> (IEA) and the IMO<sup>4</sup> and CRREM<sup>5</sup> for the shipping and real estate sectors

**Sectoral focus:** In 2023, climate targets were extended to DZ BANK group. The sectors shipping and real estate (private and commercial customers) have been added to the sectors already published

**2023 Sustainability Report:** We will publish our decarbonization goals in the DZ BANK Group's Sustainability Report at the end of March.

Energy = generation, scope 1; automotive = OEMs, scope 3; steel = production, scopes 1 and 2; cement = production, scopes 1 and 2; aviation = airlines, scope 1; Shipping = ship owner and operator Scope 1; Real estate = owner Scope 1-2

1. The basis for the relevant business partners in the focus sectors consists of finance in the banking book (corporate and project finance). All on-balance-sheet transactions of a finance nature are included, e.g. loans with payments drawn down and bonds. 2. Paris Agreement Capital Transition Assessment. 3. IEA = International Energy Agency; NZE = Net Zero Emissions; 4. International Maritime Organization; 5. Carbon Risk Real Estate Monitor

# DZ BANK Rating Overview - Sustainability Ratings

## DZ BANK Group

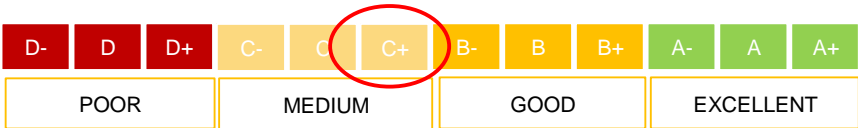
**Benchmark**

Corporate ESG Performance

Prime

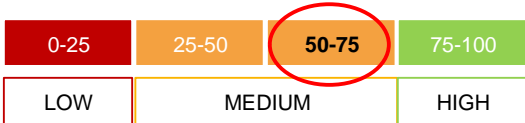
RATED BY ISS ESG

- Awarded **Prime Status** since 2011
- Confirmation of the **C+** rating in January 2022
- Above-average commitment** to environmental and social issues



## MOODY'S ESG

**52** (February 2024)  
 Based on a **sector comparison** the DZ BANK Group performs on average

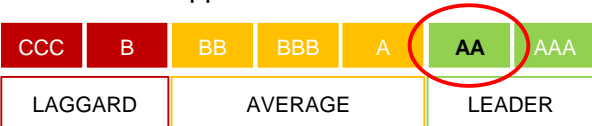


## DZ BANK AG

**MSCI ESG Research**

**AA**

- Consistent AA** rating since 2015 (confirmed in December 2023)
- Counts among the **leaders** in managing ESG risks and opportunities



**SUSTAINALYTICS**  
 a Morningstar company

- 17.6** (January 2024)
- Comparatively **low** corporate governance risk
  - Low** risk of experiencing material financial impacts from ESG factors



**CDP DISCLOSURE 2023**



# DZ BANK is involved in numerous associations and maintains a lively dialogue with various stakeholders

## Stakeholder groups and forms of dialogue

<p><b>Cooperative banks</b></p>	<ul style="list-style-type: none"> <li>• Five regional banking advisory councils a year and autumn conferences</li> <li>• Annual Central Advisory Board of the DZ BANK Group to involve the cooperative banks in strategic decisions with a focus topic</li> <li>• Annual sustainability conference for cooperative banks</li> </ul>
<p><b>Institutional investors</b></p>	<ul style="list-style-type: none"> <li>• Information and awareness-raising through lectures and roadshows with a focus on sustainability</li> <li>• Since 2020, regular exchange between some church banks and the central sustainability team of DZ BANK as well as participation in the commitment dialogue of the Church Investors Working Group</li> </ul>
<p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Systematic and regular customer expectation and satisfaction surveys</li> </ul>
<p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Online employee satisfaction survey with the "Pulse Check" as well as other dialogue formats</li> </ul>
<p><b>Public</b></p>	<ul style="list-style-type: none"> <li>• Personal handling and review of requests and concerns from NGOs etc.</li> </ul>

## Memberships in sustainability-related initiatives



In addition to exchange with the local cooperative banks, DZ BANK is in close contact with the **National Association of German Cooperative Banks (BVR)** and has been involved in the **"Sustainable Finance" project** initiated by the BVR since 2019.

# DZ BANK Group's risk management



## Objectives

- Identify risks at an early stage,
- Assess their financial implications,
- Implement measures to avoid or mitigate these risks



## Governance

- The Group Risk and Finance Committee is the central risk management committee of the DZ BANK
- The members of this committee include the relevant executives at DZ BANK responsible for finance, risk, and treasury as well as executives at various group entities.

## Risk Management of sustainability-related risks



## Background

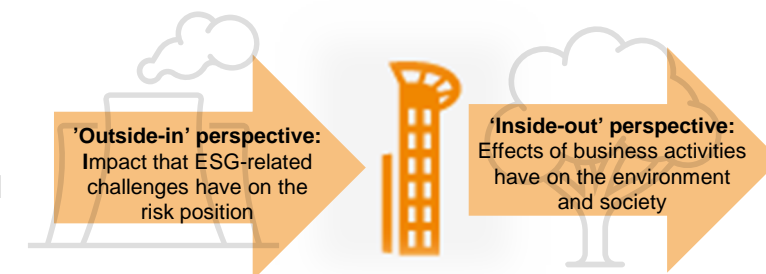
Based on regulatory recommendations such as the Guidance Notice on Dealing with Sustainability Risks issued by BaFin, the DZ BANK Group does not classify sustainability risk as a risk type in its own right. Instead, sustainability-related risks are reflected on the group risk map as facets of established financial and non-financial risk types. P



## ESG-Risks

- Climate-related and environmental, social, and corporate governance risks (ESG risks) have been identified as material overarching factors that pose predominantly medium-term and long-term risks to the DZ BANK Group.
- The focus is currently on climate-related and environmental risks resulting from climate change. These risks comprise both
  - physical risks, such as more occurrences of natural disasters and floods
  - transition risks, which can arise particularly as a result of legislative initiatives and changes in consumer behavior
- physical and transition risks from the climate and environmental sphere materialize in areas such as credit risk, reputational risk, operational risk, and actuarial risk.

Sustainability-related risks and implications are analyzed from two perspectives:



## 2. Environment

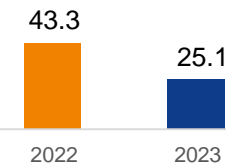
# Sustainability activities

## DZ BANK AG



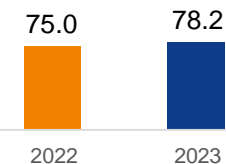
**ESG advisory  
(structuring and  
placement)**

In 2023, the total volume of **sustainable bonds and promissory note loans** managed by DZ BANK amounted to € 25.1 bn and € 2.4 bn respectively. This led to a **strong market positioning for DZ BANK**, taking first place for green covered bonds and third place for EUR denominated sustainable promissory note loans.



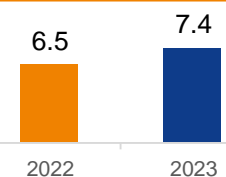
**Promotional loans  
focussing on  
climate matters**

DZ BANK AG will continue to assert itself as one of the largest intermediaries for **promotional loans (e.g. sustainable loans)** in Germany with a portfolio of **over € 78 bn in 2023**.



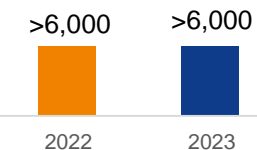
**Financing of  
renewable  
energies**

With a financing volume of **about € 7.4 bn in 2023**, DZ BANK AG is one of Germany's largest **renewable energies** financiers (especially wind power and photovoltaics).



**Sustainable  
Investment  
Research**

DZ BANK's sustainability research gives cooperative banks the possibility to screen their **own investments for ESG-matters**. The number of issuers screened has stabilized at **> 6,000**.



# DZ BANK Green Bonds



- DZ BANK has been active in the sustainable bonds segment since 2013 and is **one of the leading European underwriters** for these assets
- Since 2018, DZ BANK also issues **own Green Bonds**, structured in compliance with the International Capital Market Associations (ICMA) Green Bond Principles
- The **Green Asset Pool** consists of projects, which are by international standards clearly defined as sustainable
- The **Green Evaluations** have been performed by S&P Global Ratings – achieving a very high environmental rating
- In its **regular reporting**, DZ BANK gives transparency on the allocation and the positive environmental impact of the bonds

## Issuance profiles

	<b>Green Bond 2018</b>	<b>Green Bond 2020</b>	<b>Green Bond 2021</b>
Format	Senior Preferred Bond	Senior Non-Preferred Bond	Senior Non-Preferred Bond
Principal amount	€ 250 mln.	€ 250 mln.	€ 300 mln.
Denomination	€ 100,000	€ 100,000	€ 100,000
Settlement Day	02.10.2018	08.12.2020	17.11.2021
Coupon	0.5% p.a.	0.05% p.a.	0.40% p.a.
Maturity	5 years	7 years	7 years
Green Evaluation	E1/85 (S&P)	E1/87 (S&P)	n.a.
Green Transaction Evaluation / Framework Alignment Opinion	n.a.	n.a.	Environmental Benefit Score 86/100 with strong governance and reporting opinion (S&P)
Use of proceeds	Focus on onshore wind energy in Germany	Primary focus on onshore wind energy in the USA and Canada	Primary Focus on offshore wind energy in Europe
Listing	Luxembourg (Green Exchange LGX) and Frankfurt	Luxembourg (Green Exchange LGX) and Frankfurt	Luxembourg (Green Exchange LGX) and Frankfurt

Further information and documents can be found under: [www.dzbank.com/green-bonds](http://www.dzbank.com/green-bonds)



# Sustainability activities

## DZ BANK Group

### Products / solutions

### Exemplary quantification



**Sustainable asset management** managed according to comprehensive and explicit sustainability criteria

**€ 90 bn.** assets under management in **sustainable assets** in 2023



**Sustainable products and services** in business line **property and accident insurance**, e.g. insurance policies for renewable energy plants  
**Sustainable products and services** in business line **life and health insurance**, e.g. sustainable fund policies in fund-linked pension insurance

**Insurances in the renewable energy segment**  
for 123,158 photovoltaic systems  
for 1,294 wind turbines  
for 877 biogas installations



**Financing of sustainable building**, e.g. through financing new buildings, modernisations and solar energy systems

Through the **financing of sustainable building** the CO2 emissions reduced by **600,000 tons** in 2022



Longtime experience in managing **sustainable portfolios**

Management of **sustainability-focused investments** pursuant to article 8 SFDR of around € 2.6 billion

# The "Position Paper Climate and Environment" formulates DZ BANK Group's contribution to limiting climate change

## Core business

The DZ BANK Group aims to optimally implement the task of transforming towards a sustainable economy, also in order to secure the Group's viability and remain economically profitable.

## Operations

A group-wide climate strategy that stipulates climate neutrality in its own operations by 2045 at the latest as a minimum target

## Sustainable products, services and solutions of the DZ BANK Group

The DZ BANK Group has a comprehensive range of financial products and services offered by the cooperative financial network, which comprises various business models within a single group.

### Bank

- Numerous financial products that consider environmental, social, and ethical criteria and support corporate transformation efforts with regard to sustainability.
- Overarching sustainability advisory services (ESG Advisory, Sustainable Finance Advisory)
- ESG scoring and data tools

### Asset Management

- ESG aspects are integrated into the investment processes
- Regular dialogues with companies on relevant ESG issues and risks
- Proxy voting is understood as the exertion of influence on the corporate management and business policy of stock corporations

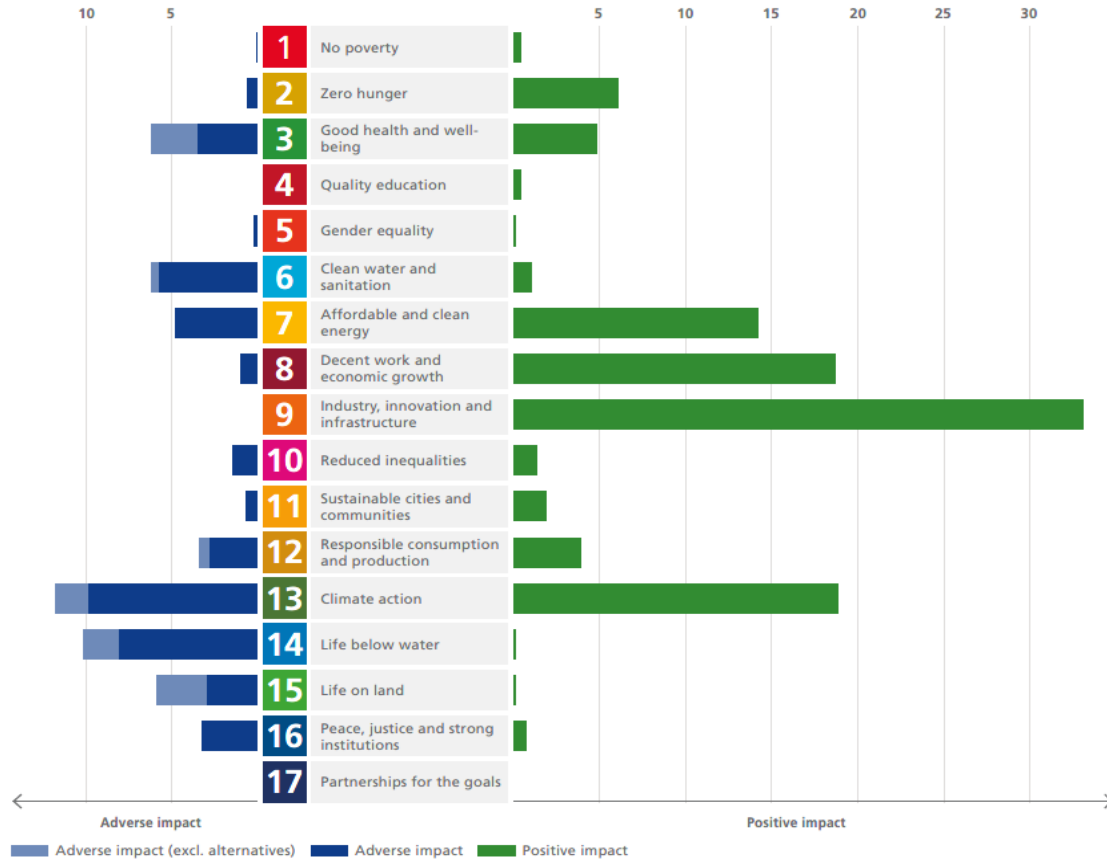
### Insurance

- Fund-linked pension insurance
- E-Mobility insurance solutions
- Environmental liability and environmental impairment insurance
- KRenewable energy competence center

# Sustainability Impact Classification: 2/3 of DZ BANK AG's loan portfolio has a positive impact on the SDGs

## Portfolio impact on the 17 UN-SDGs

€ billion (as at Dec. 31, 2023)



Corporate customer lending business (analyzed classification portfolio) | Reference date December 31, 2023 | SDG: sustainable development goals | Figures are not cumulative, as loans may generate positive and adverse impacts at the same time.

## SDG indicators approach to impact classification

For 2023, the SDG classification of the analyzed portfolio was carried out in full for the first time using a **software-based tool** developed by DZ BANK.

The subject of the **NH impact analysis** was the credit portfolio of DZ BANK AG (exposure: **€ 89,7 billion**) - **64%** already have a positive impact on at least one SDG, **23%** have an adverse impact and approx. **28%** are neutral.

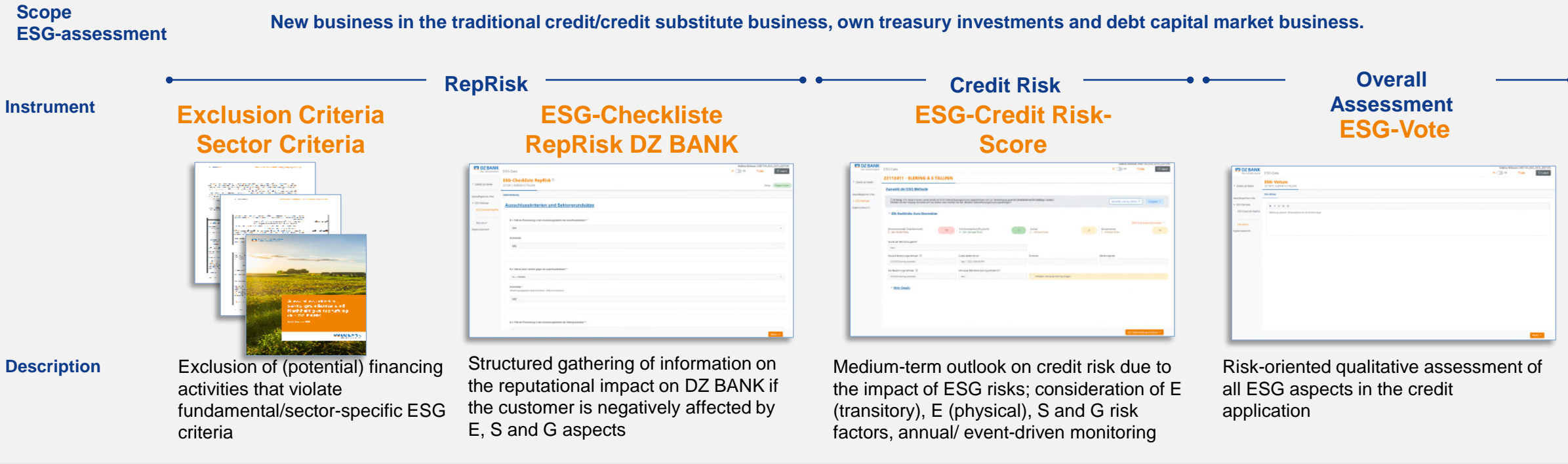
The **largest positive NH impacts** are in **climate, infrastructure & innovation, and economic growth** - the positive impacts are driven by renewable energy financing, retail, electricity, among others.

The analysis of the loan portfolio also revealed **neutral and adverse sustainability impacts**. DZ BANK analyzes these impacts and derives measures from them; in particular, **the transformation processes of customers toward avoiding negative impacts are to be actively supported**.

# Responsibility is particularly important for DZ BANK AG, especially in lending











**ESG instruments in the credit process address both, the reputational and the credit risk perspective**

The **five key elements of the sustainability assessment** ((i) exclusion criteria, (ii) sector principles, (iii) ESG checklist RepRisk DZ BANK, (iv) ESG credit risk score, (v) overall assessment of sustainability risks in the ESG vote) are checked at DZ BANK using a **standardized company-wide procedure**.



# Exclusion Criteria and Sector Criteria of DZ BANK AG

## Exclusion Criteria

-  Significant environmental hazards
-  Trade in endangered animals and plants
-  Value chain for thermal coal
-  Oil/gas extraction
-  Significant violations of Human Rights or core labor standards
-  Controversial gambling
-  Pornography
-  Mining activities using the Mountain Top Removal process
-  Controversial weapons
-  Arms trade to non-NATO-countries

## Sector Criteria

<b>Dams and water infrastructure</b>	List of the extent to which the recommendations of the World Commission on Dams (WCD) are taken into account
<b>Raw materials industry</b>	Compliance with international conventions such as the standards of the International Labour Organization (ILO), compliance with or reference to optimal production processes, such as those that minimize environmental pollution from the extraction of raw materials or exclude the use of toxic substances
<b>Forestry</b>	Application of the revised version of the World Bank standards (WN OP 4.36, 2013) for all areas of forestry (forestry work, timber extraction, logging, forestry operations)
<b>Fishing &amp; Maritime industry</b>	Marine Stewardship Council (MSC) certifications or recognized equivalent standards
<b>Palm oil</b>	Round Table for Sustainable Palm Oil (RSPO) membership or of an equivalent organization; submission of a "The No-deforestation, No-peat and No-exploitation" (NDPE) policy; full traceability back to the plantations of origin and full RSPO certification for the entire palm oil volume by 2030
<b>Agriculture</b>	Compliance with the principles of Free Prior and Informed Consent (FPIC); compliance with the requirements of national fertilizer legislation, the Plant Protection Act and the Application Ordinance, as well as the Animal Welfare and Livestock Farming Ordinance; reduction of water consumption; support primarily for farms that operate in accordance with the European Common Agricultural Policy and pursue the principle of a circular economy

# The DZ BANK Group's environmental management

## Excerpt of the measures to reduce emissions



### Mobilität

- Climate-friendly mobility for staff travel, e.g. through travel allowances for staff who use public transport/railway
- Climate-friendly mobility for business trips, e.g. by reducing the need to travel through the increased use of digital methods
- Climate-friendly mobility in the fleet, e.g. through CO2 limits for new vehicles in car policy and use of e-vehicles



### Energie

- Reduction of heating/cooling energy consumption e.g. through energy-efficient renovation of buildings (windows, facades, blinds, etc.)
- Supplying the locations with environmentally friendly district heating and eco electricity from renewable energies



### Material

- Reduction of materials used, e.g. paper consumption, through the introduction of electronic document management systems.



- Further development of waste management, e.g. through standardisation of waste management to facilitate recycling of reusable materials

## 3. Social

# DZ BANK AG offers a motivating, healthy and safe working environment

The strategy defined within the framework of Verbund First 4.0...

**A Strengthen cooperation and management culture**

- Modern workplace
- Anchoring values
- Idea management

**C Encourage employees and their performance**

- Career paths
- Talent Management AG

**E Communicate transparently and constructively**

- Feedback tools
- Continuous communication

**B Successfully recruit and retain**

- Recruitment strategy
- Employer branding
- Onboarding

**D Targeted deployment of staff and resources**

- Diversity management
- Strategic HR planning
- Talent Management Group / Corporate Campus

» These five core objectives were completed and successfully implemented

... ensures top placements in the relevant rankings



» Annual dialogues in the different areas of board responsibility, NewWork@DZBANK, the signing of a groupwide agreement on inclusivity initiative, and strengthen employee loyalty are aspects of social sustainability and guiding the human resources strategy.



# For DZ BANK, partnership means that the customer is the focal point of our thoughts and actions

## Our value - partnership

„Wir sind erfolgreich, weil wir zusammenarbeiten“



We put our customers at the **centre of our thoughts and actions**, no matter whether internal or external



We maintain **open communication** with each other



We **work together towards a goal** regardless of who is at the forefront



Partnership is our **cooperative DNA in action**



## DZ BANK Group business processes for customer-centred management

**Satisfaction surveys** of the **individual Group companies** at the **cooperative banks** - the main objective of the survey is to identify **optimisation potential** in the cooperation across all business areas

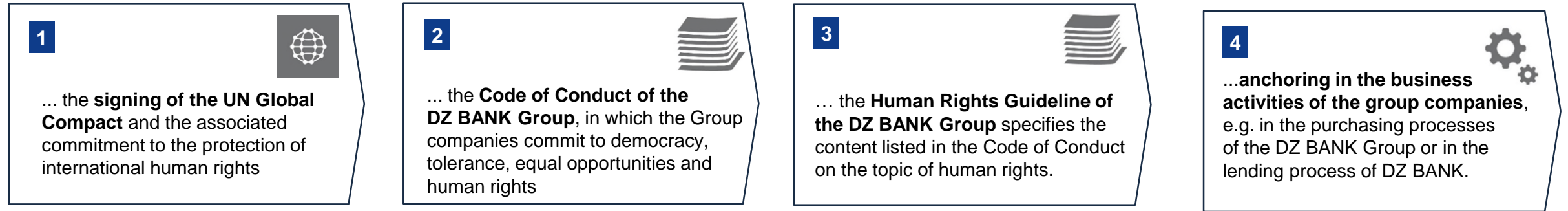
**Customer satisfaction surveys** at various interfaces, e.g. BSH customers through regular measurement (quarterly) of customer satisfaction, DZ BANK AG corporate customers, etc.

Deploying **complaint managers** at various contact points

**Quality management systems** for developing products, monitoring product specifications and customer service processes, and measuring customer satisfaction

# Human rights due diligence

## DZ BANK ensures the observance of human rights through...



## Exemplary consideration of human rights on the basis of the lending process

- At DZ BANK, loan enquiries are systematically checked for **relevant sustainability aspects as part of the loan screening process**
- Using a **sustainability checklist** based on the **10 principles of the UN Global Compact** and the Equator Principles, all relevant influencing factors are assessed with regard to social, ethical and ecological risks.
- **As a matter of principle**, the financing of companies that **violate internationally recognised human and labour rights is excluded.**
- We train all employees entrusted with financing requests on sustainability, using diverse and developed formats such as training courses and manuals. A comprehensive sustainability-related training concept is also currently being developed.

# Social commitment of DZ BANK

Wide-ranging activities with a focus on “education”



## DZ BANK Foundation

In accordance with its statutes, the **DZ BANK Foundation** is dedicated to promoting science and research in the field of banking and finance as well as in the field of cooperative banking. In addition, the foundation promotes education, focusing in particular on the primary school and academic sector. The promotion of democratic government is also purpose of the statutes.



## „Deutschland-stipendium“ Scholarship

The DZ BANK Foundation has been supporting talented and high-achieving scholarship holders through the **Deutschland-stipendium** since 2012. The support is concentrated on **universities** which focus on the fields of economic, computer science or law. The foundation also awards scholarships to the **Frankfurt University of Music and Performing Arts**.



## Senckenberg Museum Frankfurt

The DZ BANK Foundation has supported the expansion of the **Senckenberg Museum** in relation to their exhibition space "**Marine Research**" and "**Deep Sea**" as well as the exhibition project "**Edmond 2.0**". The expansion of the **Aha?! Science Lab** is currently being funded together with other Frankfurt foundations. This shows that both diversity and sustainability are key principles of the Volksbanken Raiffeisenbanken cooperative financial network.



## Aktive Citizenship Foundation

**Active Citizenship** is the competence centre for civic engagement of the Volksbanken Raiffeisenbanken cooperative financial network. Active Citizenship has been supporting civic engagement and non-profit organisations since 1997.

# Cultural commitment of DZ BANK

## Art Promotion

Promote · Exhibit · Mediate



After almost 30 years, the DZ BANK Art Collection has been placed in the care of a foundation set up specifically for this purpose, reflecting the growing importance of the collection. The **DZ BANK Art Foundation's** mission is to communicate art and culture to the public through exhibitions and events.

## DZ BANK Art Collection

The **DZ BANK Art Collection** was founded in 1993 and is the corporate collection of DZ BANK AG, based in Frankfurt am Main. It has two main focuses: The first focuses on photographic forms of expression from 1945 to the present and includes 10,000 works by almost 1,100 international artists. Another was added in 2016 with around 1,500 works of art and includes classical genres such as painting and sculpture. This part of the collection consists primarily of works by professors and graduates of the art academies in Düsseldorf and Münster.



KIT – Kunst im Tunnel

The DZ BANK Art Foundation sponsors an exhibition every two years at **KIT - Kunst im Tunnel** in Düsseldorf. Alternately, works by artists from the Düsseldorf and Münster art academies are presented to a broad public.

## Scholarship

Every two years, the DZ BANK Art Foundation awards a **sponsorship scholarship** aimed to artists of all ages who work with photographic forms of expression. Participants are nominated on the basis of proposals from a jury of seven experts, which is reconstituted for each year.



STÄDEL MUSEUM

The **Städel Museum** in Frankfurt and DZ BANK are linked by a long partnership that has repeatedly developed new ways of cooperation between business and art. As part of its 125th anniversary in 2008, DZ BANK donated over 200 photographic works from its art collection to the Städel Museum in Frankfurt. The selected works have become the property of the Städel Museum. The basis for this is a limited liability company held on a parity basis, which is the owner of the works of art and whose sole purpose is the permanent transfer of the works to the museum.

## Various Engagements in the areas of visual and performing arts, as well as music



Kunstakademie Düsseldorf



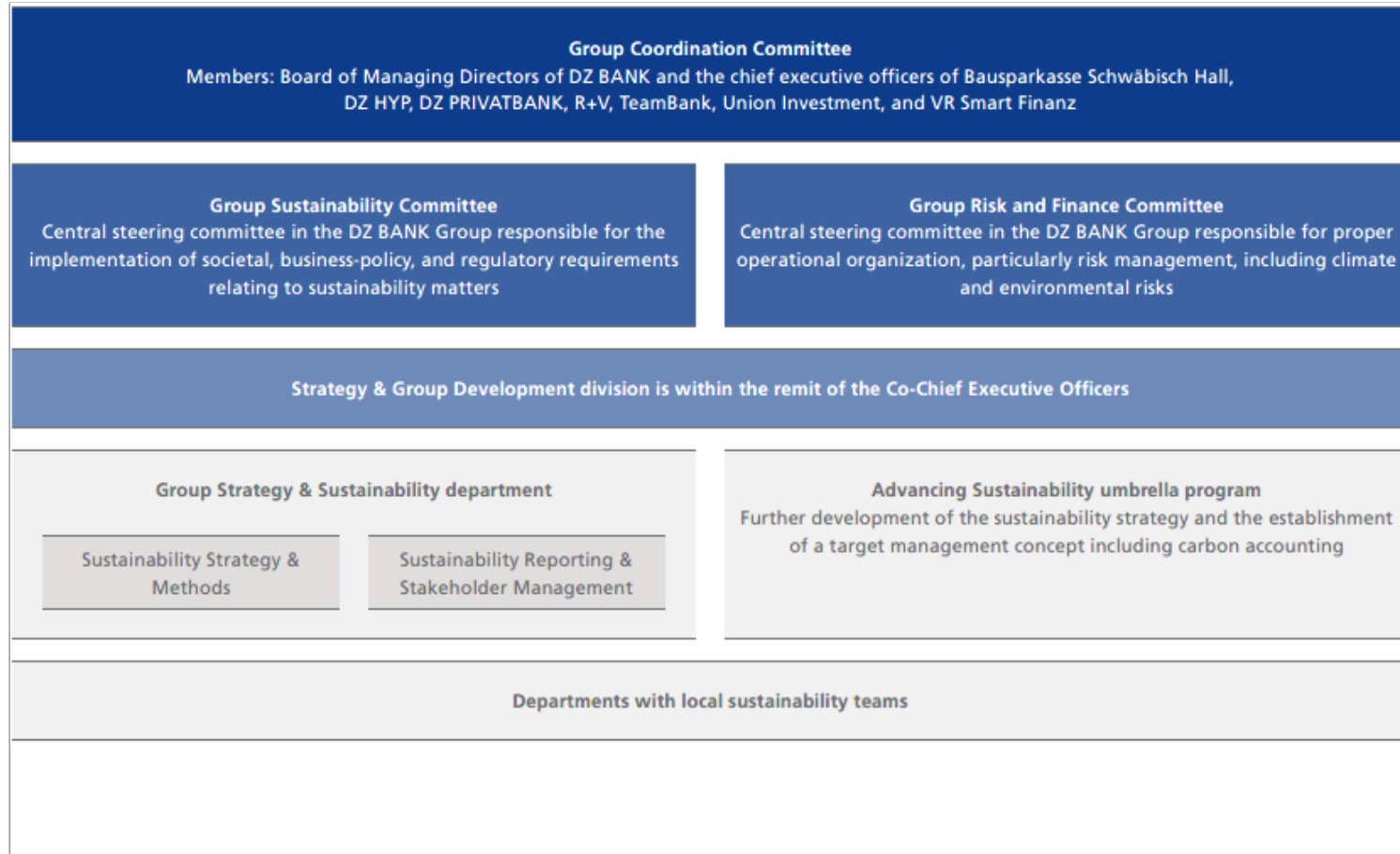
Hochschule für Musik und Darstellende Kunst Frankfurt am Main



# 4. Governance

# Sustainability is anchored in various committees of the DZ BANK Group

## Sustainability-related steering committees of DZ BANK Group



- The **Group Sustainability Committee (GSC)** at the level of the **Board of Managing Directors** focuses on the management and implementation of sustainability in the DZ BANK Group.
- The **sustainability coordination committee** made up of the sustainability officers in the management units. The sustainability coordination committee is an **operational committee that is subordinate to the GSC** and provides a platform for the sharing of information on the latest sustainability-related developments and activities across the group.
- The **GSC reports regularly to the Group Coordination Committee, the highest-level management and coordination committee in the DZ BANK Group**, whose members comprise the Board of Managing Directors of DZ BANK and the chief executive officers of Bausparkasse Schwäbisch Hall, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, Union Investment, and VR Smart Finanz.

# Group Sustainability Committee (GSC) - coordinates the sustainability activities in the DZ BANK Group

- In order to intensify communication on the topic of sustainability in the DZ BANK Group, the **Group Corporate Responsibility Committee (CRC)** was established in 2014.
- In the 2020 financial year a decision was made to further develop the Group CRC into a body with **board participation**.
- The Group Corporate Responsibility Committee (Group CRC) was renamed the **Group Sustainability Committee (GSC)**
- Since January 2023, the Group Sustainability Committee (GSC) at the level of the Board of Managing Directors has focused on the **implementation of sustainability** in the DZ BANK Group and, going forward, will be the **central steering committee** within the DZ BANK Group

## Structure



Participants: members of the management boards of Group companies of the DZ BANK Group



Quarterly Meetings of the committee members



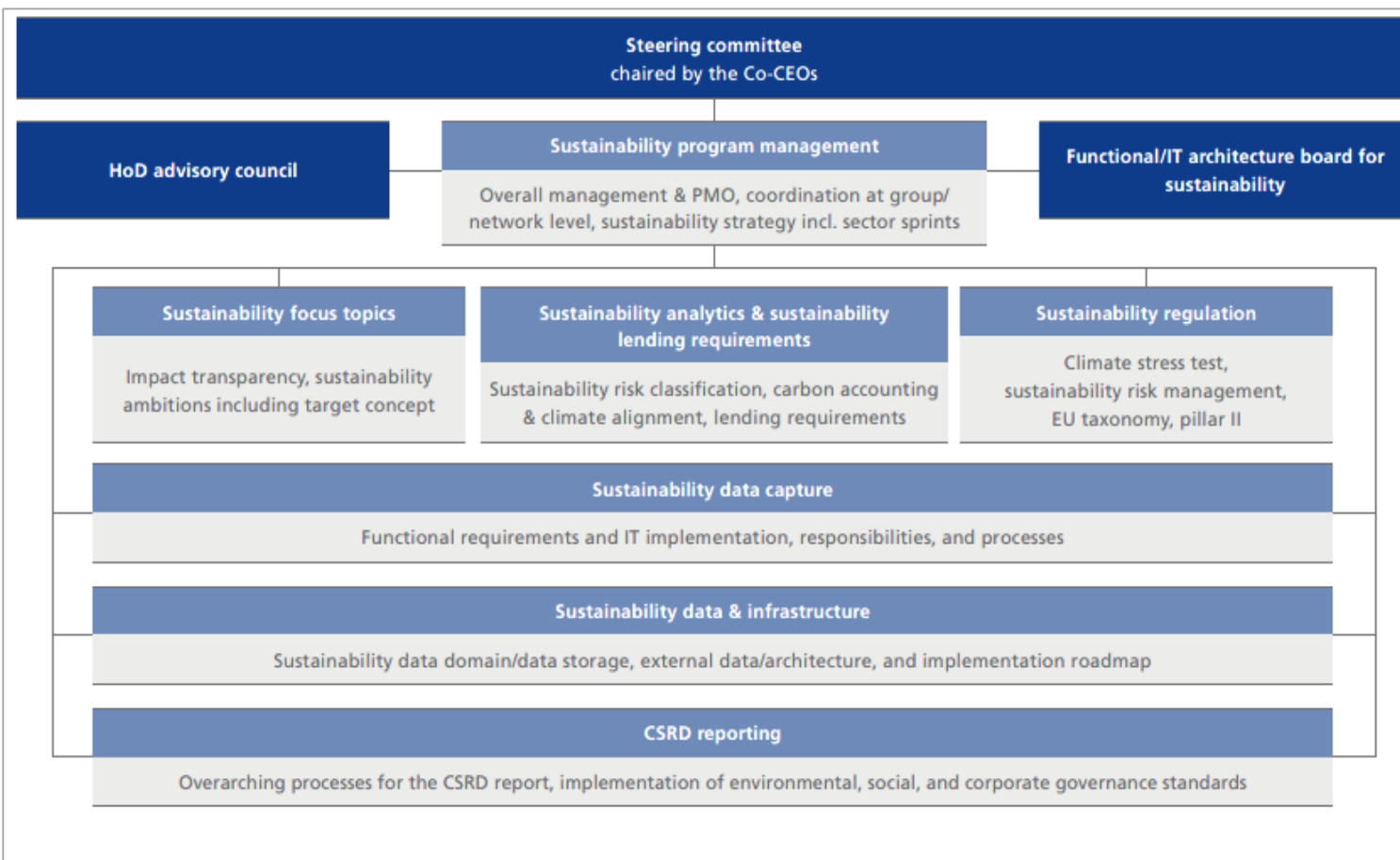
The organizational support is the responsibility of DZ BANK AG

## Tasks

- "Impulse generator" for the DZ BANK Group
- Monitoring and communication of target achievement of the key topics,
- Focus topics are selected according to current fields of action of the Group companies, stakeholder feedback and political and regulatory developments and include group-wide minimum standards, regular monitoring/screening, proactive approach to climate protection.
- The management of the Group CRC reports regularly to the CO-Chief Executive Officers responsible for sustainability and once a year, as well as when required, to the Group Coordination Committee, the highest decision-making body of the DZ BANK Group.

# Umbrella program „Advancing Sustainability“

## Advancing sustainability umbrella program of DZ BANK in 2023



## Progress made in 2023 and focus for 2024

- Implementation of further **sector sprints for carbon-intensive sectors** as the basis for identifying sustainability-related business opportunities
- Definition of **decarbonization targets** for the DZ BANK banking group in respect of eight sectors
- Greater consideration of **sustainability lending requirements** and ESG risks in DZ BANK's lending process
- Continued **integration of sustainability metrics into risk management**
- Preparation of prototypes for **internal management reports** on sustainability impact and risk matters
- Rollout of the new **ESG-Data platform** for capturing data, which supplements the existing tools in the lending process by capturing data for ESG methods
- Further work on all of these topics will take place in 2024. There will be an even greater emphasis on preparing for **CSRD-compliant reporting**.



# The central sustainability unit underlines the strategic relevance of the topic



## Tasks and roles of the central sustainability unit

- 1 Further development of the sustainability strategy of DZ BANK and an effective sustainability governance concept
- 2 Transparency and engagement with interest groups through sustainability dialogue with relevant stakeholders
- 3 Coordination and cross-project management of bank-wide sustainability activities
- 4 Internal and external sustainability reporting

➤ Central sustainability unit anchored in Strategy & Corporate Development (SK) division since 2020



## Tasks of the divisions

Integration of sustainability into regular processes

Operational Implementation of identified tasks taking into account the overarching sustainability strategy

Setting own, strategy-compliant goals

# Compliance forms the essential basis of responsible corporate governance

The DZ BANK Group pursues the 10 principles for responsible business by joining the United Nations Global Compact

## Areas of responsibility of the Compliance division

Money laundering and fraud prevention

Capital market compliance

→ Sustainability Report 2023,  
pages 29 - 32

Corporate compliance

→ Sustainability Report 2023,  
pages 29 - 32

Data protection

Money laundering and fraud prevention

- **Protective measures with regard to money laundering, financing of terrorism and fraudulent acts are developed and implemented** (including whistleblowing hotline, compliance and money laundering hotline)
- Regular implementation of **mandatory training courses** for employees on the topics of compliance, defence against money laundering and terrorist financing, financial sanctions and embargoes, fraud prevention, the General Data Protection Regulation, information security and prevention of market manipulation
- All group entities have established a **whistleblowing system** that enables employees to report compliance breaches anonymously and thus protect themselves against disciplinary measures or other action. The **ombudspersons** appointed in six group entities, to whom breaches can also be reported, are bound by confidentiality in order to protect whistleblowers

# Common data protection principles apply to all companies in the DZ BANK Group

## Areas of responsibility of the Compliance division

Money laundering and fraud prevention

Capital market compliance

→ Sustainability Report 2023,  
pages 29 - 32

Corporate compliance

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pages 29 - 32

Data protection

## Data protection

- **Data protection officers** are appointed in all companies of the DZ BANK Group to organise data protection. This officer is responsible for ensuring compliance with data protection and is the contact person for customers, business partners and employees.
- As part of an internal control system for data protection, controls have been implemented at DZ BANK to support compliance with data protection regulations. Compliance is monitored on a risk-oriented basis by the data protection staff. They conduct compliance checks and report directly to the Board of Managing Directors of DZ BANK at least once per year in the compliance report, and throughout the year in separate reports as required.
- At DZ BANK, a **web-based training tool with a final test is mandatory for all employees**. Employees at all locations must complete the learning programmes promptly after starting employment and repeat them every 3 years.
- **There is a reporting line to the data protection staff** for data protection incidents, which has been made known to all employees of the Bank.

To **prevent white-collar crime**, employees can anonymously contact an internal or external ombudsman via a **hotline (whistleblowing hotline)**, who will record the information. This is forwarded to a whistleblower committee in accordance with data protection requirements, which evaluates them and initiates any necessary measures.

# DZ BANK Group suppliers must fulfil various sustainability aspects

## Central tools for implementing sustainability in purchasing

- 1 Sustainability requirements of the DZ BANK Group
- 2 Questionnaire for DZ BANK Group suppliers
- 3 Uniform evaluation tool of the DZ BANK Group
- 4 Supplier meetings incl. relevant documents



### Sustainability in Purchasing Guideline (as of 2018)

The following criteria summarize the expectations of the DZ BANK Group's enterprises with respect to all business partners. These expectations are oriented on national and international standards including the UN Global Compact, the Core Labour Standards of the International Labour Organisation (ILO) and the BME Code of Conduct issued by the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (Federal Association for Materials Management, Procurement and Logistics). The sustainability criteria for suppliers of the DZ Bank Group also take account of the requirements defined in the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz - LkSG).

### Excerpt of expectations of suppliers & service providers

**Economic responsibility**

In terms of economic responsibility, the enterprises in the DZ BANK Group expect compliance with the regulation on free competition and do not tolerate any violation of the compliance requirements set out in anti-corruption and anti-money laundering legislation.

**Ecological responsibility**

In terms of ecological responsibility, the enterprises in the DZ BANK Group expect their suppliers to maintain a certified environmental management system besides minimising environmental damage and adhering to the standards defined in environmental legislation...

**Social responsibility**

In terms of social responsibility, the enterprises in the DZ BANK Group expect their suppliers not only to recognise and observe human rights but also to comply with additional requirements...

## 5. Further information

# Other information & Contact

## Further publications



- [2023 Sustainability Report](#)
- [Human Rights Guideline DZ BANK Group](#)
- [Code of Conduct for DZ BANK Group](#)
- [Labour Standards DZ BANK Group](#)
- [Position Paper Climate and Environment DZ BANK Group](#)
- [Exclusion Criteria and Sector Criteria DZ BANK Group](#)
- [DZ BANK Group Investors Presentation](#)
- [DZ BANK Corporate Presentation](#)
- [Sustainability homepage](#)
- [Investor Relations homepage](#)

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