

Sustainability Report 2016





Ladies and gentlemen,

Another year of intensive challenges under adverse market conditions is behind the industry and of course behind Postbank itself. Despite these conditions, we were still able to press ahead with our strategy, enabling us to do our homework according to plan. We were also able to take significant steps towards balancing accounts in our customer business and towards becoming an overall more efficient bank that is there for its customers both digitally and in person. We owe our thanks to our dedicated staff in particular for this progress. They strongly commit to our mission statement and breathe life into our corporate value of "Sustainable performance" each and every day. Their strong commitment is reflected in the high level of participation in the annual staff survey. This yielded the highest level of satisfaction values we have ever recorded among our staff, thus demonstrating an overall positive trend.

We also played our part last year towards ensuring that the targets of the United Nations 2030 Agenda can be achieved. You will therefore find in this report the official pictograms that the United Nations have created for their globally applicable targets in sustainable development. We have inserted the pictograms in the text where we see potential in realising these targets through our actions. We are confident that we are on the right track towards successfully shaping the future of Postbank in the interest of all stakeholders.

We have pushed our social commitment further ahead. We work together with "Save the Children" and support the children's rights organisation in the form of a comprehensive education programme for children in Germany. We also promote the social commitment of our staff: With the aid of financial means and personal indemnities on the part of the bank, the staff develop programmes for children in Germany and then put them into practice. Furthermore, we support staff initiatives for refugee aid. By the end of 2016, over 80 programmes had already been approved.

In 2016, we introduced a certified energy management system. This helps us to further improve our energy efficiency. We have once again reduced greenhouse gas emissions by raising the level of green power. Now 97 percent of our entire power consumption comes from renewable sources.

As a signatory of the UN Global Compact we remain committed to its ten principles and hereby submit our "Communication on Progress" (COP). In this report, we aim to give you an insight into how we have exercised our corporate responsibility in 2016 and how we have met the demands of our stakeholders. We invite you to see our further development for yourselves and look forward to hearing your feedback.

Best regards,
Yours



Frank Strauß
Chairman of the Board at Deutsche Postbank AG



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These symbols refer to the GRI Content Index on pages 108–110.

Company portrait | *With around 18,000 employees (FTEs, full-time equivalents) and total assets of EUR 147 billion, the Postbank Group (Deutsche Postbank AG with subsidiaries, hereinafter referred to as "Postbank") is one of the largest financial service providers in Germany. The group focuses on business with private customers as well as small and medium-sized companies. Money and capital market activities round out the Bank's profile.*

Postbank brands



Main brand. Leading bank for private customers, business and corporate clients

Over 3,000 mobile consultants and brokers support their customers, in particular with building finance and pension plans.



Provider brand for home savings and mortgages

Postbank has assumed a leading position in Germany when it comes to online and telephone banking. Around 9 million customer accounts are activated for online banking. And over 9 million accounts have access to telephone banking.



Provider brand for real-estate financing and loans – for private customers and sales financing

Business and corporate customers

A total of 300,000 companies in Germany are Postbank customers. In the corporate customer division, the Bank provides its services to freelancers, the self-employed, tradespeople, clubs and home owners' associations. It offers simple and attractive solutions which cover essential needs relating to payment transactions, finance, investments and provision.

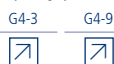
Postbank utilises its core competences in delivering services to its corporate customers. It offers solutions across the spectrum of payment transactions, commercial property finance, classic corporate finance for mid-sized businesses, factoring and leasing, as well as asset management. PB Firmenkunden AG, a company of the Postbank Group, provides customer services to Postbank's corporate customers, both personally and by telephone. (As at: 31/12/2016)

Private customers

Postbank offers its private customers simple and reasonably priced products for their everyday needs. The product portfolio ranges from payment transactions, deposit and lending activities to bonds, investment funds, insurance products and mortgage endowment plans.

Postbank is easily accessible to its customers via its branches, online or by telephone. It offers the densest branch network of all banks in Germany. Its more than 1,000 finance centres deliver not only comprehensive financial services but also postal services. Added to this are over 4,300 partner branches of Deutsche Post – which offer selected Postbank financial services – and 700 Postbank Finanzberatung advice centres.

Company portrait



Private customers



Business and corporate customers



Sustainability mission statement | *Postbank's sustainability model is based on the ten principles of the Global Compact of the United Nations. As a signatory, Postbank has undertaken to actively support the principles of corporate social responsibility and put them into practice. Postbank is committed to helping to ensure that the United Nations Sustainable Development Goals (SDGs) are achieved.*

We formulated the underlying principles of our understanding of corporate responsibility in our sustainability mission statement in 2011. It is based on the ESG concept that is in common international use. It differentiates between environmental (E), social (S) and governance (G – sustainability in the banking business) topics.

In 2015 the member states of the United Nations adopted 17 sustainable development goals (SDGs) aimed at initiating a global transformation towards a more equitable and sustainable society. Postbank aspires to contribute towards achieving these goals in its area of responsibility. We indicate this in our report through the use of SDG icons where we feel that our actions are contributing towards realising the SDGs.

Sustainability model



We see it as our task to make an active contribution to the natural living conditions on earth and to our social environment, which is why sustainability is an important element of our company strategy. This is how we intend to secure our company's long-term success and to convey the guiding principle of sustainability to every one of our employees. The way we see things, sustainability should be a way of life and not just something to contemplate.

We undertake to provide our employees with attractive and secure employment conditions and to protect natural resources. As a company, we are an integral part of the society in which we operate. Our goal is therefore to create added value for our stakeholders.

As one of the largest private customer banks in Germany, we feel obliged to conform to this guiding principle. «

SUSTAINABLE DEVELOPMENT GOALS



These icons refer to the United Nations Sustainable Development Goals.



Sustainability management | *Postbank treats social, ecological and economic resources sparingly and thereby contributes to a future worth living for coming generations. It limits ecological and social risks through active sustainability management that it continuously develops. It sees sustainable action as an opportunity to improve its competitive position.*

Organisation

Between 2012 and 2015, Postbank expanded its Group-wide environmental management system, which it launched in 2009, into a comprehensive sustainability management system. It sets goals not just in the areas of environmental and climate protection but also for social and economic action, and it monitors compliance. In this context, the sustainability of its core business takes centre stage, flanked by the aims of social and ecological sustainability. With the help of sustainability management, Postbank ensures that its sustainability strategy provides guidance for the business conduct of each employee to become an integral part of the business strategies and daily business decisions.

Postbank's sustainability management system meets the requirements of the international environmental management standard ISO 14001 and is audited and certified by an external, recognised certification institute at regular intervals.

In addition, Postbank established an energy management system certified to ISO 50001 in 2016. It is thus taking account of the special significance that energy consumption plays in climate protection.

The function "Sustainability" reports into the department of the Chairman of the Board. The Chairman of the Board appoints the Sustainability Officer, who is responsible for the operative implementation and control of all topics that are relevant for sustainability.

The Sustainability Officer coordinates and arbitrates interdisciplinary sustainability issues and projects. As the central point of contact internally and externally, he is responsible for the following areas:

- Management of the Competence Centre for Sustainability
- Sustainability reporting/communication
- Enquiries from CR rating agencies
- Development of new concepts
- Auditing new products and business processes for sustainability
- Assistance to the business and infrastructural divisions in the development of sustainable business strategies (e. g. products, risk control)
- Membership of associations and societies in the area of sustainability

Sustainability management

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Board Member responsible: Chairman of the Board

Competence Centre for Sustainability

Environmental Committee "Departments"

Environmental Committee "Sites"

Environmental Management Officer

Energy Management Officer

Department Environmental Officers

Site Environmental and Energy Officers

Competence Centre for Sustainability

The Competence Centre for Sustainability is responsible for the company's sustainable development across departments and sites. It is headed by the Sustainability Officer and is composed of the Environmental Management Officer, the site Environmental and Energy Officers and the departmental Environmental Officers.

- **Sustainability Officer**

The Sustainability Officer is at the same time the Environmental Management Officer (EMO) in accordance with ISO 14001. He has the authority to issue technical instructions to the Environmental Officers and the internal environmental auditors with regard to the environmental management system.

- **Energy Management Officer**

The Energy Management Officer is responsible for developing, establishing and maintaining the energy management system (EMS) in accordance with ISO 50001. He is located within the Corporate Real Estate Management department and reports to the head of the IT/Operations division.

- **Environmental and Energy Officers**

At the Competence Centre for Sustainability there is one representative (Environmental Officer) from each department and each major site. The Environmental Officers also act in the departments as points of contact for questions concerning social and economic sustainability. Site Environmental Officers also perform the role of site Energy Officer. This ensures the operational implementation and control of sustainability-related measures throughout the entire company. The constant exchange of information and ideas also guarantees the continuous development of the sustainability management system.

- **Internal Environmental Auditors**

Specially trained members of the Competence Centre for Sustainability also perform the tasks of internal auditors. They report to the Environmental Management Officer, are responsible for conducting and evaluating internal audits of the environmental management system and are deployed with due regard for their independence. Among other things, the internal auditors examine compliance with ecological standards and the implementation of measures introduced at the sites.

- **Environmental Committees**

The meetings of the environmental committees serve the Environmental Officer as a common platform for direct communication. Within the departmental and site committees, interdisciplinary and/or operational tasks are identified and decided.



Internal audit, Essen, October 2016

Environmental Committee, Bonn, October 2016



Stakeholder dialogue | *Postbank engages in an exchange with its stakeholders. It makes use of the wealth of ideas of its customers and employees to improve its products and services. In a discussion with differing demands, an established dialogue facilitates mutual understanding and the search for compromise. This presents opportunities for the sustainable further development of the Bank.*

We orient our commitment in equal shares to our customers, our employees, our shareholders, and the company

To **our private, business and corporate customers**, we are a fair, transparent and quality-conscientious partner. We offer a unique combination of proximity and digital world to anyone.

To **our employees**, we are an attractive employer with an appreciative and fair culture. We lead as role models – actively, in a clear and direct manner – and we promote the development of our employees.

To **our shareholders**, we create sustainable value through profitable growth in our German home market. We are a well-networked part of the Deutsche Bank Group with an independent and strong identity.

Within the company, we act responsibly and make a contribution as a bank by our personal dedication.



Stakeholder groups

Postbank's most important stakeholders:

- Customers
- Employees
- Owners
- Public institutions and bodies
- Non-governmental organisations
- Society

Postbank takes a critical look at its business activities in dialogue with these groups. Its aim is to achieve broad socio-political legitimisation for its actions.

Forms of dialogue

• Customer Advisory Committee

The Customer Advisory Committee has the mission to view Postbank's service and products critically, provide suggestions for improvements and help develop new products and services. In this way, the customer perspective can contribute decisively to Postbank's products and services becoming continuously better, easier to understand and less complicated to thereby raise the quality of the customer experience.

For more information, see section "Customer Advisory Committee".

• Customer survey

Postbank consults its customers at regular intervals about their satisfaction with the Bank's services and products and about brand recognition and brand performance. Customer engagement with the Postbank business is also determined. In the course of updating the materiality assessment for this report, Postbank once again asked customers in November 2016 how important their bank's social, ecological and economically sustainable commitment was.

For more information, see section "Analysis of significant topics".



Town hall meeting, Dortmund, March 2016

• Social media

Postbank maintains an active dialogue with customers and non-customers on social media platforms such as Facebook and Twitter, with special focus being placed on service. The bank's social media team responds directly to questions, provides assistance and gives tips and information.



www.facebook.com/postbank



www.twitter.com/postbank

More information here



Stakeholder groups

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Forms of dialogue

G4-26



- **Customer magazines, online magazines and newsletters**

Postbank informs its customers through various customer media on financial topics and products. Examples of these are the magazine "Wohnen" ("Living") and the associated newsletter. For business and corporate customers there is the online magazine "Perspectives", and there are newsletters for private, business and corporate customers.

- **Postbank dialogue**

Postbank's Chairman and other members of the Board of Management as well as heads of division regularly visit the Bank's sites. The regular dialogue with employees has become a firmly institutionalised management tool.

For more information, see section "Company management".

- **Employee survey**

Each year Postbank surveys its employees about how they identify with their company, their satisfaction with their employment conditions and the conduct of their line managers. At 67 percent, participation in 2016 reached an all-time high.

For more information, see section "HR management".

- **Ideas management**

Employees' ideas are collected, evaluated and awarded prizes in a defined process. Numerous products and business processes could already be improved this way. Each employee can contribute to the improvement of their work area and the Bank overall through the ideas management system. The creativity of Postbank's employees is a valuable resource.

For more information, see section "Company management".

- **Whistle-blower system**

Employees are urged to report suspected violations of laws, regulations, directives or internal guidelines – if necessary, also anonymously. The Compliance Department offers a number of different internal communication channels for early risk recognition and the fight against infractions. The company-internal whistle-blower system is used by employees to report indications and assures confidential and – if requested – anonymous treatment.

- **Work with associations**

Postbank has joined several organisations and initiatives which serve the sustainable development of financial services. These include, for instance, the Sustainability Working Group of the Association of German Banks (BdB) and the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU – Association for Environmental Management and Sustainability in Financial Institutions). These institutions are important platforms for Postbank to exchange ideas and experiences.

For more information, see section "Initiatives and memberships".

- **nachhaltigkeit@postbank.de**

Postbank's sustainability team has set up the central e-mail address **nachhaltigkeit@postbank.de** in order to facilitate contact with its stakeholders and those interested in the subjects of sustainable company management.

nachhaltigkeit@postbank.de



Analysis of significant topics | *Postbank assesses significant, non-financial topics in a structured process. Its intention here is to ensure quantitatively appropriate, high-quality reporting that satisfies the interests of its stakeholders in different subjects. It strives to reduce social and ecological risks while making use of the opportunity to develop its business sustainably.*

Postbank conducted a materiality assessment in accordance with the G4 guidelines of the Global Reporting Initiative (GRI) in order to create this report. The assessment serves to identify and evaluate relevant, non-financial topics with which stakeholders have approached Postbank. Furthermore, areas of economic, ecological and social sustainability were elaborated that are of major significance for Postbank itself, or which will be in future. The aim was to ensure quantitatively appropriate, high-quality reporting and an adequate treatment of all specific topics.

The field of action "Sustainability in the banking business" is largely identical to the field of action "Economic sustainability" that was used in earlier reports up to 2014. It is included in the sequence of sections before social and ecological topics. Postbank emphasises the importance of its core business for the sustainability of its actions in this way.

The process described below formed the basis of the assessment.

Determining relevant topics

Postbank first involved all its stakeholder groups in order to gather relevant topics that might be worth considering in preparing the sustainability report. Sources for the list of topics were the forms of stakeholder dialogue already practised, which were extended in a number of points for the purposes of the assessment. Aspects relating to the Bank's social, ecological and economic commitment were first included in continuous customer loyalty tracking in 2014. The survey was repeated in 2015 and 2016 for monitoring purposes. There is a clear trend towards a growing proportion of customers for whom the Bank's ethical and environmental commitment has no influence on their choice of bank. We had not expected this finding and we will continue to track its development.

Besides topics relating to loyalty to the company, the 2016 employee survey also included questions about identification with Postbank's mission statement. It was supplemented by an online survey on the social commitment of our employees conducted at the Bonn site in 2015, in which nearly 400 employees participated. In addition, a representative survey commissioned by the Association of German Banks in 2014 on the subject of corporate social responsibility in the banking sector was analysed. The concerns and topics determined in this manner were assigned to the fields of "sustainability in the banking business", "social sustainability" and "ecological sustainability", and prioritised.

Assessment of significant topics

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Determining relevant topics

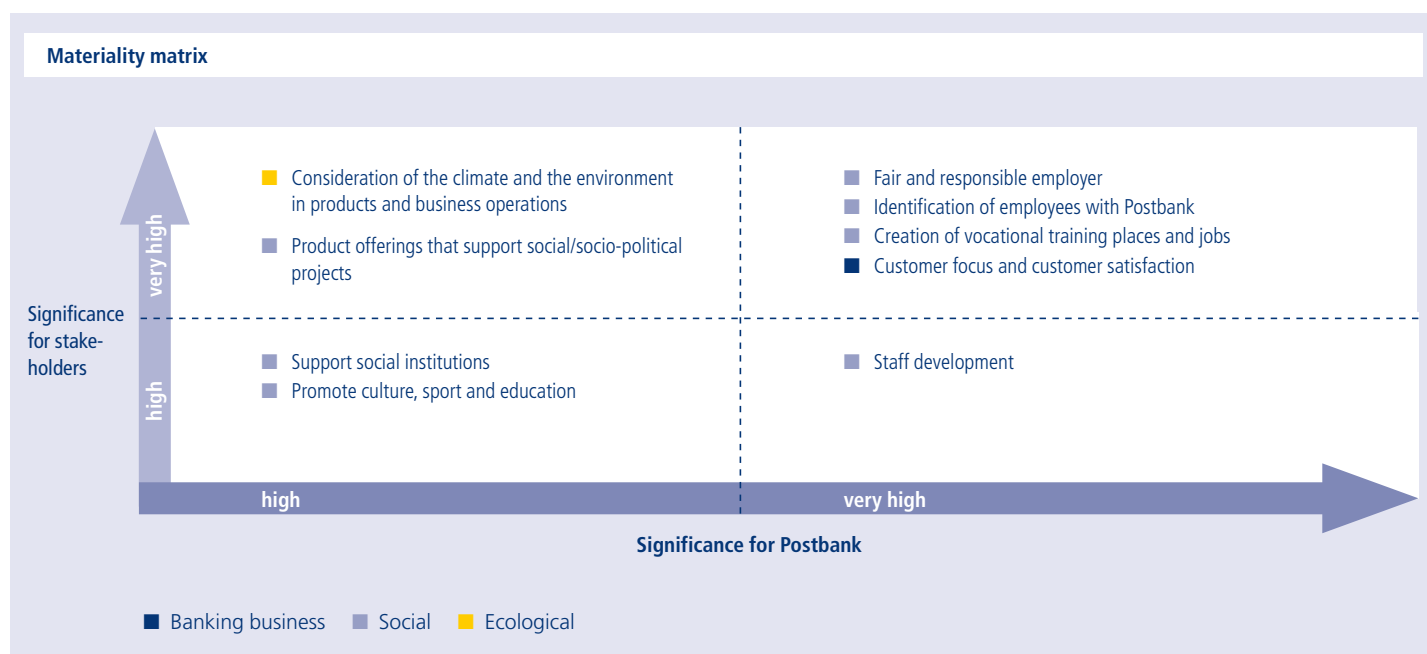
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Prioritisation and assessment

The assessment of the collected topics according to relevance and materiality for reporting was performed in two steps. In a first step, the responses were sorted according to the number of times they were given and to their percentage share of their approval ratings. The topics prioritised in this way were then discussed by a small team of Postbank experts and compared with the topics that were considered important for the Bank. The materiality matrix below represents the intersection of topics.

Monitoring

Postbank sees sustainability as a continuous process of development. The significant topics included in this sustainability report will accordingly be subjected to renewed review during the preparation for the next sustainability report.



Prioritisation and assessment



Differentiating the determined significant areas of action

	Topic	Description	Effect	Stakeholders affected	Further information
Banking business	Customer focus and customer satisfaction	Orientation of employees' actions always in view of the customer. Focusing on the customer's benefit	Internal/external	Customers, employees	Section on "Customers": Customer Advisory Committee, Customer orientation and consumer protection, Demographic change; section on "Company": Risk management, loan approvals and investment, Data privacy and data security
Social	Fair and responsible employer	Respectful treatment of all employees, appropriate remuneration, social benefits	Internal/external	(Future) employees	Section on "Employees": Information on remuneration systems, Life and work, Health, Diversity, integration and appreciation
	Identification of employees with Postbank	Highly motivated to perform above the required level, observation and implementation of Postbank's mission statement	Internal	Employees	Section on "Employees": Employee survey
	Creation of vocational training places and jobs	Continuation of existing trained professions, creation of new vocational training positions, recruitment of new employees	Internal/external	(Future) employees	Section on "Employees": HR management, Facts and figures, Employee indices, Training and development
	Product offerings that support social/socio-political projects	Sale of products in Postbank branches and finance centres with added social/socio-political value	Internal/external	Customers, non-governmental organisations, society	Section on "Employees": HR management, Training and development
	Employee development	Training and development of employees	Internal/external	(Future) employees	Section on "HR management": Training and development
	Support social institutions	Support for social institutions with financial and non-financial assistance	Internal/external	Customers, non-governmental organisations, society	Section on "Society": Social commitment, Education, Donations
	Promote culture, sport or education	Provision of play equipment and learning materials, support for universities, support for schools and other institutions for children	Internal/external	Customers, non-governmental organisations, society	Section on "Society": Social commitment, Education, Donations
Ecological	Inclusion of climate and the environment in products and business operations	Reduction of energy consumption and CO ₂ emissions; careful use of resources, publication of ecologically relevant data, compliance with legal regulations	Internal/external	Customers, employees, non-governmental organisations	Section on "Ecological sustainability"; section on "Products": Ecological products and services

Differentiating the determined significant areas of action

G4-18	G4-19	G4-20	G4-21	G4-22	G4-27
					

Opportunities and risks

Studies show that companies which know and manage their social and ecological opportunities and risks enjoy competitive advantage over the long term. They are less susceptible to scandals and they are more resistant to external shocks.

They are more stable because they are accepted by the general public and by their own workforce. This insight also provides the basis for the way in which this report is presented. The following overview shows where we see our main risks and opportunities within the ecological and social context.

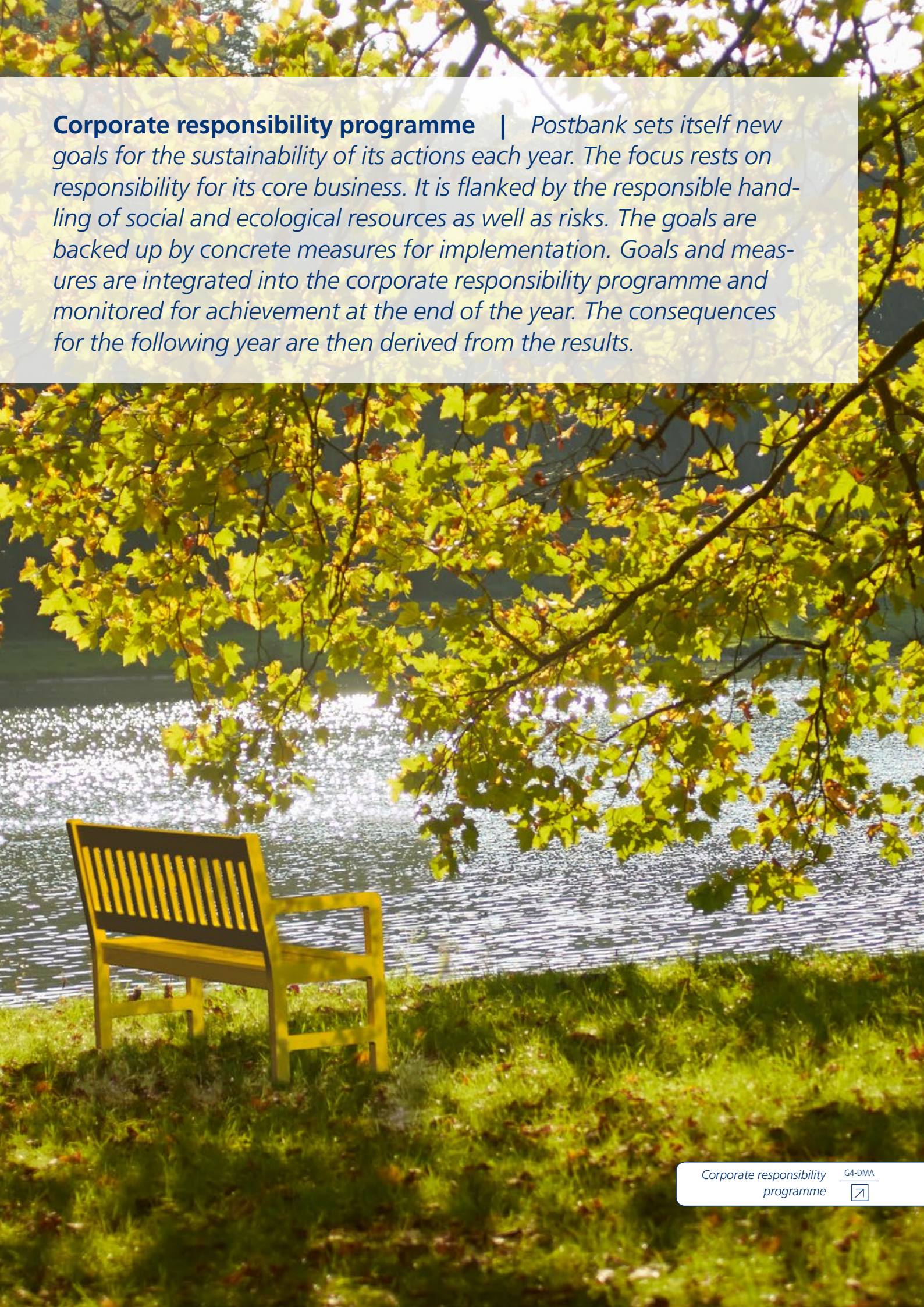
Opportunities and risks				
	Topic	Opportunities	Risks	Further information
Banking business	Customer focus and customer satisfaction	Successful business development; high level of customer loyalty; recommendation to others	Customer churn; reputational risks; compliance deficits	Section on "Customers": Customer Advisory Committee, Customer orientation and consumer protection, Demographic change; section on "Company": Risk management, loan approvals and investment, Data privacy and data security
	Fair and responsible employer	Motivated employees; willingness to perform; loyalty to the company	Increased turnover; recruitment problems; higher sickness levels	Section on "Employees": Information on remuneration systems, Life and work, Health, Diversity, integration and appreciation
Social	Identification of employees with Postbank	A good work climate; recommendation of employer; knowledge retention	Job detachment, reluctance to perform	Section on "Employees": Employee survey
	Creation of vocational training places and jobs	Employer attractiveness; dynamism through diversity	Shortage of specialists and managers; ageing workforce; dwindling innovative strength	Section on "Employees": HR management, Facts and figures, Employee indices, Training and development
	Product offerings that support social/socio-political projects	Retention of socially committed customers; image gain; cross-selling	Move to specialist providers	Section on "Society": Donations; section on "Products": sustainable products
	Employee development	Identify, promote and retain talent	Loss of talented and motivated employees	Section on "Employees": HR management, Training and development
	Support social institutions	Enhanced reputation	Loss of social acceptance	Section on "Society": Social commitment, Education, Donations
	Promote culture, sport, education	Enhanced reputation	Loss of social acceptance	Section on "Society": Social commitment, Education, Donations
Ecological	Inclusion of climate and the environment in products and business operations	Cost benefits through resource efficiency; enhanced reputation; retention of environmentally-aware customers	Reputational risks; loss of environmentally aware customers; lack of regional acceptance	Section on "Ecological sustainability"; section on "Products": Ecological products and services

Opportunities and risks

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G4-14





Corporate responsibility programme | *Postbank sets itself new goals for the sustainability of its actions each year. The focus rests on responsibility for its core business. It is flanked by the responsible handling of social and ecological resources as well as risks. The goals are backed up by concrete measures for implementation. Goals and measures are integrated into the corporate responsibility programme and monitored for achievement at the end of the year. The consequences for the following year are then derived from the results.*

Sustainability management

Goal	Measures	Deadline	Status
Further development of Postbank sustainability	Focus of sustainability reporting on the core business	31/12/2016	Completed
	Ensuring that sustainability management remains independent in the event that the Bank leaves the Deutsche Bank Group	31/12/2016	Completed
	<i>Alignment of sustainability reporting with the European standard CSR guidelines</i>	31/06/2018	New
Making employees aware of sustainability	Introduction of a new format for team development as part of the Bank's social commitment	31/12/2016	Completed
	Range of e-learning courses on sustainability subjects	Ongoing	Ongoing
	Regular information for employees on the intranet and in the employee magazine	Ongoing	Ongoing
	<i>Integration of sustainability topics into the "First Tuesday" internal information event of the Chief Digital Officer</i>	31/12/2017	New
	<i>Integration of regional sustainability topics into the regional site dialogs of the West region</i>	Ongoing	New
	<i>"Urban gardening" trial at the site of the Chief Digital Office in Bonn</i>	31/12/2017	New
Commitment in external sustainability projects and campaigns	Participation in the "Stadtradeln" (City Cycling) campaign at the Bonn site	Ongoing	Ongoing
	Participation in the "Earth Hour" activity at suitable sites	Ongoing	Ongoing
	Environmental partnership with Hamburg	Ongoing	Ongoing

Sustainability in the banking business

Products

Goal	Measures	Deadline	Status
Sales of ecological products and services	Range of online products and digital services: reduction of paper-based processes and transport routes	Ongoing	Ongoing
	Arrangement of promotional loans for energy-efficient renovation and energy-efficient construction	Ongoing	Ongoing
	Sale of stationery from sustainably managed forests and recycled paper	Ongoing	Ongoing
Support for social institutions in product sales	"Save the Children" Visa Card for employees: Postbank donation of one cent per transacted euro	Ongoing	Ongoing

Customer orientation, processes and services

Goal	Measures	Deadline	Status
Optimised cash logistics	Expansion of the cash recycling machines in the self-serve area – reduction of money transports	31/12/2016	Completed
	Expansion of the cash recycling function – fewer money transports and more security for employees at the branches	31/12/2017	In progress
Reduced waiting times in Postbank retail outlets in the pre-Christmas period	Use of colleagues from all divisions of the Bank and of temporary workers for improving service during the so-called peak business times	Ongoing	Ongoing
Service improvement through digitisation	Extension of the Ideas Laboratory to include the Postbank Garage: implementation and testing of prototypes, new cooperation models with start-ups	31/12/2016	Completed
	Involvement of customers in the innovation process (co-creation) on the Ideas Laboratory platform	31/12/2016	Completed
	Introduction of video authentication for personal identification of new customers	31/12/2016	Completed
	Development and further distribution of the BHW app for consultants. Enables the sale of mortgage savings contracts using e-signature without paper and postage	New deadline: 31/12/2018	In progress
	<i>Digitisation of construction finance: reduced paper consumption, digital submission, self-service</i>	31/12/2018	New
	<i>Digitisation of consumer finance, paperless contract, digital document evaluation</i>	31/12/2017	New
	<i>Introduction of virtual property viewing in the "My Property" Internet portal</i>	31/12/2017	New

Risk management

Goal	Measures	Deadline	Status
Reduction of ecological and social risks from the core business	New version of the Reputational Risk Policy in consideration of sensitive countries and industries	31/12/2016	Completed
	Concentration on mid-sized companies in the credit business with corporate customers in consideration of reputational risks	Ongoing	Ongoing
	<i>Publication of guidelines concerning ecological and social risks in the credit business with corporate customers</i>	31/12/2017	New
	<i>Specification and amendment of the Supplier Code of Conduct in the form of compliance behaviour guidelines for contractual partners</i>	31/12/2017	New

Social sustainability

Commitment to employees

Goal	Measures	Deadline	Status
Healthy at the workplace	Reorganisation, efficiency improvement and partial expansion of corporate health management	31/12/2016	Completed
	Provision of health programme options outside working hours at sites (e.g. training in small groups, individual advice, screening programmes)	Ongoing	Ongoing
	<i>Installation of automated external defibrillators at the Essen and Dortmund sites</i>	<i>31/12/2017</i>	<i>New</i>
Compatibility of work and family	Expansion of the "Mobile work" concept to include management at retail outlets	31/12/2016	Completed
	Scholarships for employees' children (student exchange/community service programmes)	Ongoing	Ongoing
	<i>Group-wide expansion of the "Mobile work" concept (up to 20 % of regular working hours can be spent at home or on the move)</i>	<i>31/12/2017</i>	<i>New</i>
Support employees, improve working conditions	Identification and development of special talents (talent management)	Ongoing	Ongoing
	Provision of employee scholarships to study part-time for qualifications	Ongoing	Ongoing
	<i>Introduction of mentoring and job shadowing offers to support staff development</i>	<i>31/12/2017</i>	<i>New</i>
	<i>Organisation of creative thinking workshops to promote creativity and innovation</i>	<i>31/12/2017</i>	<i>New</i>
Supporting diversity	Increasing the proportion of women in management positions	30/06/2017	In progress

Social commitment

Goal	Measures	Deadline	Status
Supporting education	Allocation of external scholarships for institutes of higher education at the Bonn/Rhein-Sieg site	Ongoing	Ongoing
Support for social institutions	Support for talented students, foundations and professorships	Ongoing	Ongoing
	"Bälle für Deutschland" (Balls for Germany) campaign: supporting associations, schools and nursery schools with soccer balls from Postbank	Ongoing	Ongoing
	Support for the social commitment of employees through campaign days for the benefit of "Wir für Kinder" and for assisting refugees. Employees are given a grant of up to EUR 1,000 for social projects and one day's leave of absence	Ongoing	Ongoing
	Pilot testing of the "Strong Together" integration project in collaboration with "Save the Children"	New deadline: 31/12/2017	In progress

Ecological sustainability

Environmental management and controlling

Goal	Measures	Deadline	Status
Improvement of environmental management and environmental accounting	Establishment of an energy management system certified to ISO 50001	31/12/2016	Completed
	Definition of short-term and medium-term energy savings targets	31/12/2016	Completed
	<i>Development of quantitative success indicators (environmental KPIs) for organisational units in the IT and Operations department</i>	31/12/2017	New
	<i>Adaptation of the environmental management system to meet the additional requirements arising from the revised version of ISO 14001:2015</i>	31/12/2017	New

Business ecology

Goal	Measures	Deadline	Status
Reduction of energy consumption and greenhouse gas emissions	Hameln: adjustment of lighting management in the canteen (activation/ operating times) via building control system	31/12/2016	Completed
	Frankfurt: replacement of windows and insulation of window recesses in an open-plan office with 714 sqm of floor space	New deadline: 31/12/2017	In progress
	Bonn: improved regulation of the room ventilation equipment at head office (Provinzial building)	31/12/2016	Not practicable
	Bonn: new video conferencing rooms to reduce business travel	31/12/2016	Not practicable
	Munich: conversion of the lighting in technology centres to LED technology	31/12/2016	Completed
	Munich: upgrade of cooling units in the canteen	31/12/2016	Not practicable
	Bonn: testing of rental bikes for commuting traffic	31/12/2016	Completed
	Bonn: introduction of Netviewer technology at the workplace to reduce business travel in the Chief Risk Office Department	31/12/2016	Completed
	Reduction of greenhouse gases through travel management, energy efficiency and eco-electricity	31/12/2020	In progress
	Replacement of 6,500 workstation PCs with thin clients (modified measure)	31/12/2018	In progress
	<i>Investment in the energy efficiency of office buildings</i>	31/12/2020	New
	<i>Data storage: partial replacement of conventional hard disks with SSDs</i>	31/12/2017	New
	<i>Server consolidation: reduction from twelve Unix servers to six</i>	31/12/2017	New
	<i>Replacement of the data storage systems in Frankfurt and Bonn</i>	31/12/2017	New
	<i>Replacement of the IBM storage systems in Bonn with more efficient systems in the Frankfurt computing centre</i>	31/12/2017	New
	<i>Munich: replacement of cooling equipment in the server rooms with system with greater energy efficiency</i>	31/12/2017	New
	<i>Leipzig: drafting of a lamp replacement table for the underground car park to assess whether conversion to LED would be worthwhile</i>	31/12/2017	New
	<i>Essen: conversion of the recooling system to dry cooling and optimisation of the room ventilation equipment to improve energy efficiency</i>	31/12/2017	New
Lower consumption of natural resources	Increase in the proportion of recycled paper	31/12/2018	In progress

Sustainability in the banking business



Growth through digital business

Postbank is making good progress in implementing its digital strategy. It is seeing double-digit growth rates in a number of areas. It has achieved numerous milestones and will continue its digitisation policy.

The online distance seller Alibaba set a new record on 11 September 2016: on so-called Singles' Day, when singles in China exchange gifts with each other, the Chinese company sold goods worth over USD 1 billion within just five minutes and dispatched around 58,000 packages per second. "We are a long way removed from this in Germany," says Postbank's Chief Digital Officer (CDO), Philip Laucks. "Nevertheless, the example clearly shows the potential that the subject of digitisation can develop."

The banking sector has also been preoccupied with this megatrend for quite some time. Customer behaviour has evolved again with devices offering mobile access like smartphones and tablets. "In the future, our customers expect a service experience that is both personal as well as digital," Laucks explains. He identifies four dimensions in Postbank's digital strategy: growth, efficiency, technology and cultural change. "Our investment is already paying off with double-digit growth rates in digital sales. Many measures are in the process of implementation. But there is still a great deal to do," he says, announcing new investments, for example to expand digital services relating to current accounts. Besides a digital data safe, it is planned to make important services and mass processes such as address changes and tax exemption orders possible in digital form. "This will ease the workload of our colleagues in the service companies significantly."

The Bank intends driving digitisation forward in its branches up to 2018. Digital solutions will also play an increasingly large role in customer business. A process model that is digital from start to finish can lead to a standardised customer experience across all sales channels.

Working in the "digital factory"

"Our customer data are a crucial factor that we must use to better effect," Lauck says. In order to implement this and other projects, Postbank's Chief Digital Officer is planning a new model of collaboration in projects. In future, interdisciplinary teams from every department will work together on digital solutions in a so-called "digital factory". The project areas of rate, current account and service processes will set the ball rolling. "We are putting ourselves clearly in the customer's shoes to make ourselves fit for a digital future."



Experts from ibi research at the University of Regensburg tested the websites of 50 banks and savings banks. The jury examined the support the websites provide for the customers requiring advice and those deciding on their own. Postbank took first place in the "Self decider" category.



Users voted www.postbank.de the most popular website in the "Banking and Investment" category for the third time. The vote for "Website of the Year" is the most important people's choice award for websites in Germany. This year a total of 228 websites in 19 categories participated in the competition. 513,000 users cast their vote.

Postbank is working on a large number of innovations, as the following examples show:

• MOBILE PAYMENT

Postbank customers will shortly be able to perform mobile payment at 80,000 points of sale throughout Germany using their smartphone and a virtual credit card. The service will be extended to include bank debit cards in 2017.

• FINANCIAL ASSISTANT

It is now possible to input transfer orders using Apple's Siri language interface. The financial assistant can now be used for accounts with multiple banks: in the account summary it shows data from other banks and payment service providers like Paypal.

• ACI SECURITIES CONSULTING PROCESS

Securities future: 225 securities advisers will start work this year. Thanks to a new consulting process spanning several sales channels, customers will be able to obtain comprehensive information about investing.

• BHW DIGITAL PRODUCTS

The working day of financial advisers in mobile sales will be made much more digital with two apps: one for sales appointments with customers and the other for establishing contacts with potential new customers.

• E2E CONSUMER FINANCE

The consumer finance process is also now well on the way to complete digitisation, offering video and chat-based advice as well as video identity authentication. This will shortly be joined by a function for uploading paperless documents and a digital signature.

• VIRTUAL PROPERTY VIEWING

Postbank real estate customers will in future be able to view their new dream flat or house without having to make an appointment to visit the property. 360-degree tours from the comfort of their home make it possible.

• BUSINESS CUSTOMER APP

The new business customer app offers digital added value for small businesses with fewer than ten employees: quotations and invoices can be generated from the app, which can also manage them and send them as an E-Postbrief (e-letter).

• BUILDING, BUYING, LIVING

It is possible to apply for a mortgage of up to EUR 450,000 in a matter of minutes and receive advice thanks to the Postbank buyer check: the new at-home step-by-step guide is "digital and personal".

• VIRTUAL CLASSROOM

Seminars at the Postbank Academy will in future take place in a virtual seminar room. It is planned to hold webinars from the first quarter of 2017 onwards, thereby saving travel time. The system offers all tried-and-tested seminar methods such as group work and card-based idea generation.

• HACKATHON

Opening up the Bank's technical interface to gather fresh ideas from hackers is at the heart of the Hackathon Roadshow. This is where the banking solutions of the future will be programmed.

Customers | *Postbank puts its customers first. It maintains an intense dialogue with them and wants to be a fair and reliable business partner for them. It protects their interests as consumers. When providing advice on securities transactions or loans, the bank informs its customers of potential risks. Postbank values transparency and comprehensibility in communication with its customers. It offers older people special information and advice.*


[More information here](#)


Final meeting of the fourth Core Customer Advisory Committee, Bonn 2016

Customer Advisory Committee

The Postbank Customer Advisory Committee has the mission to view Postbank's service and products critically, provide suggestions for further developments and help design new products and services. For example, committee members take part in online surveys, product and service tests and workshops. Furthermore, the members of the core committee are invited to attend a conference with Postbank employees and managers twice a year. They work in an honorary capacity.

The Customer Advisory Committee was launched in 2006 and is constituted for a period of three years. The committee is composed of a 30-member core body and an expanded Advisory Committee with around 2,800 members. Its members must have an active business relationship with Postbank and should take an interest in

financial topics. Interested customers were able to apply to become a member of the new Customer Advisory Committee up to 20 November 2016. The term of the fifth Customer Advisory Committee will commence in May 2017.

The final meeting of the current Customer Advisory Committee took place in Bonn in 2016. Besides a review of the committee's work, the agenda also took a look into the digital future. What are the opportunities and challenges offered by digitisation for the banking industry? What will be the future of the branches?

The current Postbank Customer Advisory Committee has been considering these topics since it was constituted in April 2014.

You can contact the members of the Customer Advisory Committee with suggestions and questions by e-mail at any time at kundenbeirat@postbank.de.



Contact via
kundenbeirat@postbank.de

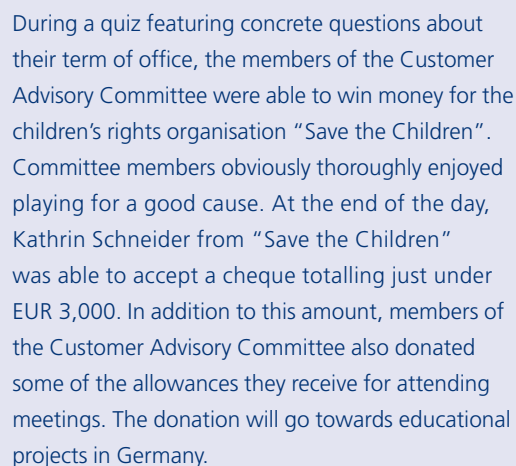
Customer Advisory Committee

G4-26



Shortly before the end of their term of office, the members of the core committee had the opportunity at their final meeting in Bonn in 2016 to learn of the current status of various projects in which they had in the past been actively involved, for example through workshops and discussion groups. The meeting was more emotional than in the working sessions of previous years. The atmosphere was relaxed, but there was a noticeable touch of sadness about some of the members.

Customer Advisory Committee donation



Thomas von Rekowsky, spokesperson
of the fourth Postbank Customer
Advisory Committee

Customer orientation and consumer protection



We wish to make securities a new investment alternative for our customers. In this way we can help them to avoid losses through inflation in this period of low interest rates without taking any high risks.«

Susanne Klöß-Braekler, Managing Director,
Products



[More information here](#)



Fair consulting

The presently low interest rates have revived demand for real estate and securities products. Fair and professional consulting plays an important role in both product groups. In the interest of its customers, Postbank places great value on high-quality consulting – in its branches just as much as in the mobile retail field. Its consultants receive regular training and advanced development enabling them to evaluate the interests and needs of their customers appropriately and offer them products matching their requirements. The consulting range is complemented by a transparent price model and a selection of simple and comprehensible products.

In 2016 Postbank trained more than 200 consultants as securities specialists. They advise investment customers in accordance with the so-called ACI process: available, covered, invested. Following a comprehensive analysis of the customer's overall financial situation, they develop conservative investment strategies to achieve returns above the rate of inflation despite low interest rates.

Investors' experience and knowledge forms the basis of every consultation in the securities business. In addition, investors' expectations of returns and risk appetite are also

key criteria in consulting. Great value is always placed on a diversified investment as part of the product recommendation. We manage sales targets in such a way that the justified interests of our customers are always assured. We monitor the processes in the securities business. A particular focus here is on the quality of the advice.

Responsible loan approval

When granting loans, Postbank protects its customers from over-indebtedness. Each loan application must be accompanied by an obligatory analysis of the customer's personal situation by means of modern scoring procedures. A loan engagement will only be set up if sufficient financial leeway remains preserved after the deduction of interest and repayment amounts. Overdraft facilities and consumer finance are not granted to people under the age of 18 in order to protect under-age customers and comply with legal regulations.

As a member of the Banking Industry Association, Postbank has undertaken to apply the ten principles of the code "Responsible lending for consumers".

[More information here](#)



Postbank was overall winner in the Consumer Finance Test conducted by magazine FOCUS MONEY (issue 25/16) in collaboration with Deutsches Finanz-Service Institut (DFSI). Besides customer and product features, testers also compared the costs of instalment credits of 26 banks offered nationwide. Interest rates, fees and other costs relating to the credit were examined and rated.



Cash recycling machines count notes and coins automatically. Employees at the counter only need to place the money in the receptacle provided. The recycler gives the right amount of change back. The removal and ordering of notes and coins is to a large degree controlled automatically.

[More information here](#)



Cash supply and cash recycling

In 2016 Postbank pressed ahead with its project aimed at improving cash logistics. Since 2014 we have been testing an automatic cash desk system that relieves employees at the cashier's desk of the task of counting money. The new cash desks optimise cash logistics through cash recycling, avoid errors when paying out or accepting money and reduce the risk of raids. A total of 1,900 cash desk systems will have been installed in 750 branches by the end of 2017. Of these, almost 1,400 had already been installed by the end of 2016 – over 1,000 in 2016 alone.

Cash recycling has also proven successful for ATMs used by customers themselves. Cash machines with a deposit function reduce the need for cash transport because the ATM can pay out money that has been paid in. At the end of 2016 Postbank's network had over 410 ATMs with a deposit function, 148 of which with a function for accepting coins. All new sales centres will in future be equipped with cash-recycling ATMs.

Postbank has joined forces with other German business banks in a cash group. Through this, customers of Postbank, Commerzbank, Deutsche Bank, HypoVereinsbank and their respective subsidiaries enjoy a great measure of convenience, flexibility and cost savings when withdrawing cash.

The customers of the participating institutions can withdraw cash free of charge at more than 9,000 ATMs throughout Germany. This also includes the cash recycling systems at about 1,300 Shell petrol stations. Cash recycling has a positive effect on the environment. As cash terminals are supplied from the cash taken at the petrol pumps, around 800 cash transport journeys a month have been saved since the scheme launched at the end of 2010.

Brand, product and customer communication

In customer communication, Postbank aims for processes that are conserve resources. In keeping with the Bank's Paper Policy, it is a matter of course that it avoids chlorine bleaches and uses only paper from certified sustainable sources, and also makes use of materials and transport paths as sparingly as possible. In this way, we not only conserve resources but also reduce costs.

Our brand and product communication is oriented towards providing customers and prospective customers with comprehensive and reliable information. The means of advertising are chosen and designed in such a way that they give the consumer reliable guidance in reaching a decision. In our customer media, we also actively address questions of consumer protection.

Winning prizes with Postbank
Award for innovation: the project team
has modernised the cash cycle in
Postbank branches.

Brand, product and customer
communication

G4-DMA



In dealings with business partners, the Bank also uses digital greeting cards that are sent out without paper and postage.



Saving paper and postage: a digital greeting card

Comprehensible customer letters

The introduction of Postbank's account world placed particular demands on customer communication in 2016. We wanted to communicate the numerous and complex changes to our customers as comprehensibly and in as customer-focused a manner as possible. Judging by the limited number of queries we received, we succeeded in this undertaking. In addition, we also concentrated on responding to customer complaints. The Bank had launched a project to address this back in 2014 in the course of which quality criteria were defined and agents sensitised and trained. All departments involved in processing complaints were integrated into the project in 2016. Internal measurements confirm the success and contribute to sustainable quality assurance. Correspondence with our customers should be simple, comprehensible and easy to read. A team of experts have been working on developing customer-friendly documents since 2011. More than 1,600 text modules for letters and e-mails had been revised by the end of 2016. This corresponds to more than 170 million written customer contacts. Employees who regularly communicate with customers in writing can use special software to measure and optimise the clarity of text. There are seminars for comprehensible communication for all employees and individual advice from experts when concrete text-related problems arise.

"theme worlds"

Postbank added a "theme worlds" section to its website in 2016. This is where customers can find information relating to the world of finance that is presented clearly and comprehensibly in a user-friendly design. The "theme worlds" section replaces the former "Infothek" information library on the Postbank website. It is organised under the following headings:

- Building and living
- Money and finance
- Work and provision
- Pensions and inheritance
- Innovation

The "theme worlds" format makes it easier for Postbank customers and prospective customers to find expert knowledge on connected topics in an understandable form. Video clips, check lists, calculation tools and diagrams enhance usability. It does not matter whether the information on offer is accessed from a PC, tablet or smartphone. The information is constantly being expanded.



BHW Bausparkasse provides all kinds of tips and information about living in one's own home in the magazine "Wohnen" ("Living").

[More information here](#)





Dieter Reehe from Postbank's headquarters in Bonn: "Contact with colleagues in finance centres is important for me. I get to see what concerns employees in the retail outlets and can take the issues back to head office in Bonn."

Christmas assistants at the branches

The weeks before and after Christmas are the busiest in Postbank's branches. Employees and managers from head office and the sites work as branch assistants during the Christmas rush to keep waiting times for customers to a minimum in spite of everything. 1,649 Christmas assistants helped out their colleagues in retail outlets in 2016. They were deployed in 495 finance centres throughout Germany, working 8,555 hours. They processed packages and parcels in the back office, answered customer queries, operated mobile cash desk modules or provided assistance at other points whenever necessary. The proportion of managers who helped out was 20 % higher in 2016 than in previous years.

Two awards: Postbank's estate agents

Postbank's estate agents won not just one but two awards. Newspaper DIE WELT as well as business magazine Capital gave them top marks, underlining the excellent standing of Postbank estate agents in the market. The conditions for estate agents in the market change extremely rapidly: rent controls, commissioner principle, digital competition. The question arises as to which estate agents can best deal with these issues. Who can offer their customers outstanding service?

Service Champions 2016

Postbank Real Estate is the "Service Champion 2016" among estate agents. The winners were determined in a broadly based customer survey conducted by ServiceValue GmbH together with daily newspaper DIE WELT and Frankfurt University. The objective of the annual survey is to assess the experienced customer service of an enterprise. Postbank was ranked first among twelve service providers tested in the "Estate agent" category.



Capital Estate Agent Compass

For the third time in succession, Capital collaborated with "iib Dr. Hettenbach Institut" and analysts "Feri Eurorating Service" to test the quality of more than 970 estate agents in 50 towns and cities. The experts used a two-step process to assess the services of the estate agents and award marks and stars. The result speaks for itself: Postbank estate agents are among the multiple award-winning estate agents in Germany.

The top mark of five stars was awarded to 43 estate agents in 26 regions. Three estate agents in the Bielefeld, Dortmund and Erfurt regions gained four stars with the mark "very good".

Postbank estate agents in 26 regions were awarded the top mark of five stars.

Demographic change

We want our products, product information and equipment in our branches to be attractive for older people, too. In this way we are taking into account that the proportion of older people in the population is continuing to grow. We provide specific information and consulting for this target group. A major focus rests on the issue of provision, bequests, insurance and living in old age.

Pensions and inheritance

We provide information about questions concerning people over 50 in the information portal "Pensions and inheritance" in our "theme worlds". The portal was launched in 2013 in collaboration with the Bank's Customer Advisory Committee and has been enhanced a number of times since then. Its aim is to provide guidance with important information, interactive forms, tips on downloading and check lists. The range of information on offer covers topics such as pensions and tax, planning for retirement, provision and finances, insurance, giving and bequeathing, powers of attorney and personal directives as well as age-appropriate housing. This is complemented by information on safety in banking transactions and prevention. The response and customer feedback show that there is great need for this type of information.

[More information here](#)



Retirement Planner

Postbank provides an analysis tool for future retirees on its website in the form of the "Ruhestandsplaner" ("Retirement Planner") developed by the Institut für Vorsorge und Finanzplanung (Institute for Pension and Finance Planning – IVFP). The online program enables a neutral and independent calculation to be conducted individually regarding the financial means that can be expected to be available for retirement, taking into account the specific circumstances of the person interested. A forecast of future inflation is also integrated in the calculation. Besides current income, the calculator also takes into account existing provision for retirement and directly assesses existing net pension provision – taxes and social insurance contributions in retirement are also included in the calculation. The Retirement Planner will show any gap in cover that it detects. Based on wishes and goals, it will then make recommendations as to which pension products make particular sense. Despite the great complexity of the data that is processed, the Retirement Planner is very user-friendly.

Information for older people:
the online portal "Pensions and inheritance"

[More information here](#)



Inheritance and bequests

Inheritance hotline: 0800 1008 904

More information here



Postbank set up an “Inheritance hotline” (0800 1008 904) in 2007 to meet the growing need for information on all aspects relating to the subject of “Inheritance and bequests”. Specially trained staff at Postbank’s call centres are available via telephone to customers virtually around the clock and provide useful information, for example, regarding the processing of inheritance as well as legal questions concerning inheritance. In 2016 We revised our “Powers of attorney guide” and issued a new version of our “Advice for surviving dependants” guide.

Fraud prevention

We published a new version of our “Important information on fraud protection” in 2016. Older people are still often the target of attempted fraud. For the purpose of prevention, Postbank has developed a number of information media specifically aimed at seniors. Topics such as the so-called grandparent scam, fraud in money transactions, fraud at automatic teller machines and burglary are discussed in an easy-to-understand manner. Besides explaining methods of fraud, preventive measures are presented that can protect customers from loss or damage. The brochures are revised at regular intervals and amended to include new fraud methods. They are available from the Postbank branches and can also be accessed online at Postbank’s website.

Ratgeber Vollmachten

Finanzielles und Persönliches sicher regeln

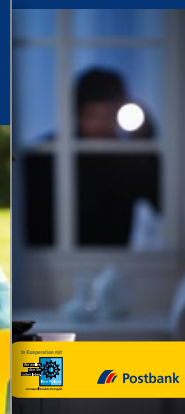


Wichtige Informationen zur Einbruchsprävention

Worauf Sie achten sollten

Wegweiser für Hinterbliebene

Alles Wichtige zur Nachlassabwicklung



Products | *Postbank helps its customers act sustainably with its product portfolio. The portfolio is tailored for different personal circumstances and income levels and also includes products and services that take account of its responsibility towards the environment and society.*

Social products and services

- **Postbank Giro *direkt***

Students, apprentices and other young people in training (including voluntary military service, voluntary social year, Federal Voluntary Service) are exempt from account fees.

- **Postbank Visa Card Prepaid**

Payments using the Visa Card Prepaid are only possible if there is a credit balance. It is a safe means of payment for universal use, without credit check or query by the Schufa credit agency for young people from the age of 14 and for customers who would like to have full control over spending via their credit card account.

- **Postbank “Save the Children” Visa Card for employees**

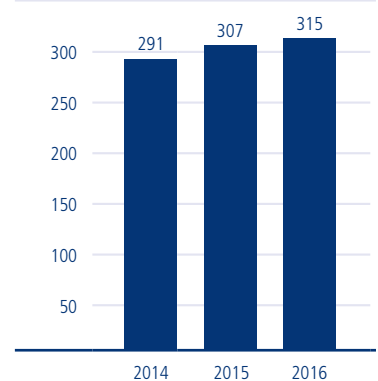
Employees can use this card to support the project “Wir für Kinder – Bildung ist Zukunft” (“We for children – Education is the future”). We donate one cent to “Save the Children” for each euro transacted using the Postbank “Save the Children” Visa Card. A total of over EUR 38,000 was collected this way in 2016.

- **Money payment order, account payee only**

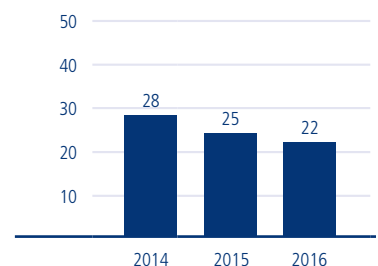
Payment method “payment order, account payee only” is a document similar to an open cheque that the Federal Employment Agency issues to recipients of benefits when necessary instead of transferring money. It assists recipients who do not have their own bank account as they can have their benefits paid out in cash at a Postbank branch. In 2015, Postbank extended this option for paying cash to refugees. Recognised refugees or asylum applicants can use it to receive social benefits even if they do not yet have an account of their own. The so-called BÜMA (certificate of registration as asylum applicant) is recognised as proof of identity.



Visa Card Prepaid (in thousands)



UNICEF Christmas card sets (in thousands of sales packs)



For employees:
“Save the Children” VISA Card

Products

G4-DMA



Social products and services

G4-F57



- **UNICEF Christmas cards**

Postbank and Deutsche Post sell UNICEF greeting cards with Christmas motifs in their branches on a non-profit basis in the pre-Christmas season. Almost EUR 337,000 was generated in sales for the benefit of the United Nations Children's Fund in 2016. This resulted in a donation share of EUR 283,000.

For more information, see section "Donations".

- **Postbank donation accounts**

Postbank supports recognised charities in their humanitarian activities. For this reason, we present a collection of some 50 national and international aid organisations and welfare associations that maintain donation accounts with Postbank on our website. The list of accounts has been programmed in such a way that clicking on a charity organisation immediately opens online banking. After the customer logs in, they are presented with a prefilled donation transfer form which only requires the amount to be input. Furthermore, the website also gives donors practical information on making transfers for charities and about their recognition by the tax office. Cash deposits paid to donation accounts at Postbank are free of charge at the 1,000 Postbank finance centres and the thousands of Deutsche Post branches.



Educational books for the benefit of
Save the Children

- **Educational books for a good cause**

Postbank has been offering educational books in numerous branches since April 2014. "Save the Children" receives EUR 2 for every book sold. Around EUR 81,000 was collected in this way in 2016 for the benefit of "Save the Children", which is about the same amount as in the previous year.

For more information, see section "Donations".

[More information here](#)



Ecological products and services

- **Real estate modernisation**

About 35% of final energy consumption and around one-third of greenhouse gas emissions in Germany are accounted for by buildings. The federal government therefore launched an “Energy Efficiency Strategy for Buildings” in November 2015. It is primarily focused on buildings that were built between the end of the Second World War and the 1970s to eliminate the lack of housing in large cities. These buildings consume nearly a quarter more energy on average than old buildings that were constructed before 1919. Many of them are in need of modernisation.

Property owners can make use of state subsidies to counteract the effects of rising energy costs and, at the same time, contribute to Germany meeting its climate protection targets. The energy-focused modernisation of buildings also benefits from historically low interest rates. Postbank is meeting the demand for modernisation with financial products and by helping to arrange public funding. Customers can receive a binding ad-hoc online confirmation from KfW (Bank for Reconstruction) for popular funding programmes.

Postbank with its brands BHW and DSL Bank Partner has been a partner of “co2online” since 2005. The non-profit consulting firm promotes climate protection in the construction and housing sector. It is sponsored by the Federal Ministry of the Environment and the European Union.

- **Construction financing and mortgage savings with BHW**

With around 2.5 million customers and 3.2 million mortgage savings contracts, Bausparkasse AG is one of the largest private mortgage savings banks in Germany. It offers mortgage savings and construction financing primarily in Germany. BHW Bausparkasse AG is a wholly owned subsidiary of Deutsche Postbank AG.

In 2016, a total of 2,051 contracts (2015: 2,167) were concluded via BHW Bausparkasse involving energy-efficient KfW programmes. This corresponds to a volume of approx. EUR 145 million (2015: EUR 112 million). In addition, there was a non-measurable number of construction projects without public funding. Despite a lower number of contracts, total volume increased owing to the higher average amount of loans.

[More information here](#)




[More information here](#)


• KfW loans of Postbank Group

After several years of decline, the volume of reduced-interest loans from KfW (Bank for Reconstruction) increased once more in 2016 – although this was accompanied by a decline in the actual number of contracts concluded: Postbank Group arranged a total of 16,144 KfW loans in 2016 with a total volume of EUR 919 million (2015: 18,511 loans with a volume of EUR 905 million).

Postbank arranges KfW loans not just under the BHW brand but also through third-party sales under the brand of DSL Bank – partner bank for financial service providers. The data shown below cover both brands.

- Home-owning programme

This home-owning programme of KfW is targeted at anyone intending to build or buy a house or flat and live in it themselves. In 2016 Postbank arranged 10,998 low-interest loans for its customers amounting to EUR 518 million (2015: 11,805 loans with a volume of EUR 561 million).

- Energy-efficient modernisation

Loans for the energy-efficient modernisation and the first-time purchase of modernised buildings or residential homes were arranged for 1,368 applications with a total volume of EUR 81 million (2015: 1,605 loans with a volume of EUR 84 million).

- Energy-efficient construction

Finance for the purchase or construction of low-energy housing has seen a sharp increase both in total volume as well as in the financing volume of individual agreements. This led to an increase in the volume of finance, while the number of contracts concluded fell. 3,534 financing agreements from this programme were concluded across the Group with a total volume of EUR 311 million (2015: 4,840 contracts with a volume of EUR 253 million).

- Age-appropriate conversions

The volume of financing for age-appropriate conversions with KfW funding also rose sharply in 2016, while the number of agreements decreased: 244 loans with a volume of EUR 8.5 million were granted under this programme (2015: 261 loans with a volume of EUR 7.6 million).

• “Riester-compatible” mortgage savings and construction financing

Allowances under the Riester savings scheme can be incorporated in different ways in financing arrangements for the purchase, construction or debt servicing of owner-occupied property. Postbank assists its customers in this.

Ecological products and services



Postbank and DSL Bank voted best construction finance providers

In 2016, Postbank and DSL Bank offered the best construction financing. FMH Finanzberatung awarded the two companies three of the coveted awards. The awards ceremony was held in Frankfurt on 26 January.

This was the ninth time that the FMH Awards were presented by Finanzberatung Max Herbst (FMH) in cooperation with news broadcaster n-tv. Postbank and DSL Bank received first place in the 2017 FMH Award as the best construction finance provider nationally for a 15-year fixed interest loan. However, Postbank/DSL Bank are among the top three providers in Germany when it comes to 10- and 20-year terms.

Awards presentation

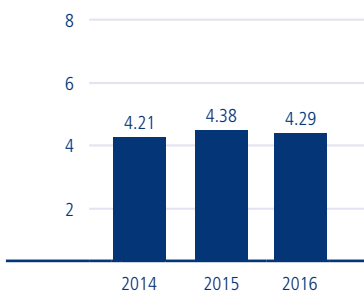
The awards were presented during a gala event held in Frankfurt on 26 January 2017. Christian Heikamp, head of the Product Management Construction Finance division accepted the coveted awards. "For potential customers, winning an FMH Award is a clear signal that the provider is a reliable partner with attractive rates of interest. The fact that we have now won this award for the fifth time in succession shows that we consistently offer our partners and customers favourable conditions and that this continuity and dependability are important to us," says Heikamp in conclusion.

FMH Finanzberatung determines the interest rates of 67 providers each week and uses various mathematical models to compare parameters such as loan conditions and the terms of fixed interest rates. In addition, a difference is also made between finance products offered regionally and nationally.

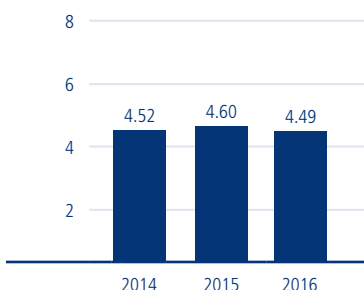


From left to right: Moderator Beate Hoffbauer (n-tv), Christian Heikamp (Postbank) and Max Herbst (FMH).
Photo: Postbank/Fritz Philipp

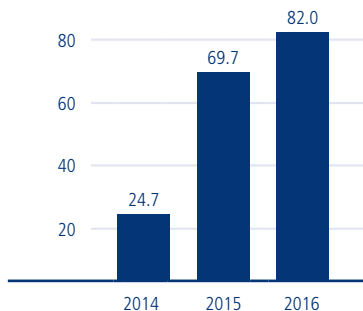
Current accounts with online banking (in millions of)



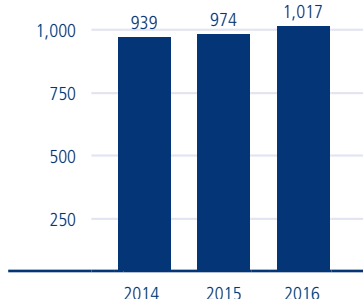
Current accounts with telephone banking (in millions of)



SparCard Rendite plus direkt (in thousands)



Credit cards in online service (in thousands)



The Postbank Finance Assistant was recognised as “Best Banking App 2016” in the 2016 online banking test run by computer magazine CHIP (print issue 10/2016). The editors compared 16 banking apps from different banks. They rated criteria like “security procedures”, “multi-bank capability” and “QR code reader”.

Ecological products and services



• Customer correspondence

The sparing use of resources in correspondence with customers is of great significance to Postbank. When we inform all our customers about a legal or regulatory change, the weight of paper used, including envelopes, totals over 100 tonnes. We have therefore developed a resource-saving process of cascade communication for providing written information to our customers. Online customers are informed via their electronic mailbox. Letters on paper including their transport can thus be reduced to a minimum. We make systematic use of all available standard methods of communication such as supplements to bank statements as a “piggy-back” means of transport for all remaining paper-based documents.

• Digital bank products

There are digital variants of numerous Postbank products that reduce the need for hardcopy records and physical transport services. In 2016 we introduced the online account “Giro *direkt*” as part of our new account world. It features a paperless opening and identity authentication process and offers considerable financial incentives to perform paperless customer transactions. Further examples of this are the SparCard Rendite plus *direkt*, which was launched in 2014, the credit card online service as well as online, mobile and telephone banking. As part of our digitisation strategy, we are continuously expanding our range of digital products and services.

With the launch of our new account world, we aligned our charges for current accounts with the continuing difficult market environment. This led to a slight decline in the number of current accounts, with online and telephone banking accounts also being affected. Nevertheless, the effects of the new pricing model were less severe than expected. This was due to the fact that there were price adjustments across the entire industry in 2016 with free current accounts largely disappearing from the market.

• Ecological services at Postbank finance centres

- Environmentally friendly stationery

Postbank is the largest vendor of stationery complying with the PEFC/FSC/EU Ecolabel standards. In addition, Postbank retail outlets sell about 60 products that have been awarded the “Blue Angel” environmental label by the Federal Environmental Agency. 6.9 million packs of environmentally friendly stationery that comply with the PEFC, FSC and EU Ecolabel standards were sold in retail outlets in 2015 – this was more than twice as much as in the previous year. At nearly 960,000 packs,

sales volumes of “Blue Angel” products rose slightly compared to the previous year.

Working together with the “Initiative for Recycling Paper”, Postbank provides its customers with information about the topics of the “Blue Angel” and climate protection on inserts in its envelopes and mailing bags. Even the photocopiers in our branches bear the “Blue Angel” label. In 2004, Postbank began to switch the selection of paper products and stationery sold in its finance centres to stationery from environmentally friendly production. This process has been largely completed.

- Photocopiers with the “Blue Angel”

In 2016 Postbank retail outlets participated in the “Blue Angel” day of action called by the Federal Environment Ministry. Customers were able to take part in a quiz on the environment with prizes for scanners and copiers for private use. Almost 19,000 customers participated. The photocopiers in our branches bear the “Blue Angel” label and meet the highest environmental standards. Customers can connect their smartphone or tablet wirelessly to a copier using NFC technology and e.g. print documents from their mobile phone direct in the branch. Conversely, the multi-function devices can scan documents that are then transferred to a smartphone or tablet, where they can be further processed in digital form. The printer manufacturer offers a free mobile print app for download.

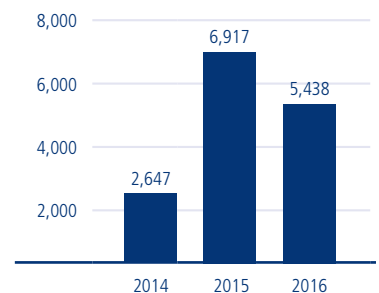
- Climate-neutral services from Deutsche Post DHL

Deutsche Post DHL withdrew its GoGreen Plusparcel from its standard range in 2015, limiting it to special editions e.g. at Christmas. This resulted in sales of these products falling in 2016 to just under 6,000 retail packs. The figure for 2015 was around 200,000 retail packs. A similar tendency could be seen with the climate-neutral GoGreen Plusletters, where sales of just under 400,000 retail packs in 2015 fell to a little over 85,000 retail packs. With the GoGreen Plusparcel and the GoGreen Plusletter, Deutsche Post DHL offsets the CO₂ emissions caused by shipment with investment in internationally recognised climate protection projects. The materials are environmentally friendly, too. The GoGreen Plusparcel is made from recycled cardboard and the GoGreen Plusletter is made from FSC-certified paper.

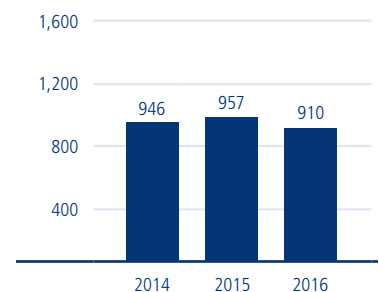


Customer copiers with the “Blue Angel”

Environmentally friendly stationery PEFC/FSC (in thousands of sales packs)



“Blauer Engel” products (in thousands of sales packs)



Ecological products and services

G4-EN27

G4-F58



Company | *Postbank directs its commitment towards its customers, its employees, its shareholders and society. It has a robust and efficient business model that creates value even in difficult market conditions. Its positioning as “digital & personal” and as a safe, reliable retail bank are the central pillars of its market presence. Postbank has expressed its principles and values in a discrete mission statement. They are defined by clear rules that are binding for the actions of all its managers and employees.*

Company development

Despite historically low interest rates, a constantly rising level of regulation and strong competition, Postbank succeeded in maintaining its position with adjusted earnings before tax of EUR 468 million after EUR 523 million in 2015. The Bank successfully confronted its operating environment and the resulting impact on earnings in 2016 with a large number of efficiency measures, with its understanding of efficiency always involving a balance between costs and revenues. The introduction of a new current account model on 1 November showed initial signs of stabilisation, which will become fully apparent in 2017.

Growth in customer business

There was very pleasing growth in new lending business with private, business and corporate customers, which reached a volume of EUR 19.4 billion, exceeding the previous year's figure by 13.6 %. The main reason for this new record level was strong growth in new business with instalment credit, corporate customer credit and commercial real estate financing. And last but not least, Postbank took another important step closer towards achieving a symmetrical customer balance sheet in 2016 thanks to a growth in assets, reducing the deposit surplus by EUR 3.5 billion compared to the previous year.



We were able to further improve our capitalisation despite the strong growth in the credit business. The common equity tier 1 capital ratio increased significantly. At the same time, we were also able to stabilise the leverage ratio. This serves to underline the sustainability of our business model, even in difficult times. «

Marc Heß, Chief Financial Officer



digital & personal

The basis for the positive development is the “digital & personal” strategy. Postbank continued the positive development in digitalisation in 2016. Firstly, it established a clear plan for the transformation process based on its “Postbank agenda” in the year under review and began to implement the plan. Secondly, it made planned progress through targeted investment in the development of a holistic digital process model, e.g. with the fully digitalised opening and closing process for a current account or instalment credit as well as with its mortgage savings and construction financing portal “My Property”. The latter measure led to an increase in the volume of financing concluded online from EUR 120 million in 2015 to around EUR 300 million in 2016.

Despite all the focus placed on transforming the bank digitally, personal service remains crucial for customers.

Postbank continues to provide its services in more than 5,500 finance centres and agencies throughout Germany. It is also constantly modernising this network and making it more efficient. It has now invested in 15 sales centres in major locations where it can provide services to all customer groups, including its mid-sized business customers. This number is set to rise to 30 centres by the end of 2017.

Besides sales centres, Postbank also pilot-tested compact branches in summer 2016 and intends to deploy them in the coming years, above all in regions with relatively little customer footfall. Furthermore, in 2016 it continued to invest in customer-friendly, automated self-service infrastructure in its branches and has already installed around 3,200 machines.



We are down-to-earth with a long-term, sustainable orientation. This is what our mid-sized business customers appreciate. One in ten mid-sized businesses in Germany is already a Postbank customer. We are continuing to expand our service in 2017, opening new business customer locations and digitalising credit processes. «

Dr Ralph Müller, Managing Director, Corporates and Markets

[More information here](#)



Company management

More information here



As a company, we are an integral part of the society in which we operate. We are convinced that we will gain long-term competitive advantage by actively managing the direct and indirect consequences of our business operations on the environment and society. This will allow us to make better use of ecological and social opportunities, to reduce risks in our sphere of influence and thereby generate sustainable added value for our stakeholders.

All Postbank Group employees are subject to the "Code of Business Conduct and Ethics for Deutsche Bank Group". Furthermore, Deutsche Bank's code of ethics with special obligations for "Senior Financial Officers" also applies to Postbank's Chief Financial Officer, heads of department in the Finance division as well as the Chief Financial Officer of Postbank's subsidiary BHW Bausparkasse AG.

For more information, see section "Guiding principles".

Mission statement, values and principles

More information here



Postbank's mission statement constitutes the framework for its strategic orientation, its aims and its operations. It serves as guidance for the future and offers binding orientation for all employees and managers.

The Postbank's six values and principles are:

- Customer orientation
- Integrity
- Sustainable performance
- Innovation
- Partnership
- Discipline

In an established feedback process, employees can report obstacles to the implementation of the mission statement. Those disruptive factors preventing employees and managers from putting the mission statement into practice are identified and dealt with. The mission statement thus contributes to continuous organisational improvement at the Bank.

Management principles

The management principles clearly demonstrate the form of leadership behaviour that is expected at Postbank. They translate the values and principles of the Postbank mission statement into a concrete framework of conduct. The principles are binding for managers at all levels – i.e. for all Postbank employees who directly manage other employees. The role model function of each manager, clarity and appreciation in dialogue, as well as the promotion of diversity in the team, are the centrepiece of this corporate culture.

Managers can take advantage of measures for team development, coaching and special training in order to support good leadership behaviour. In 2016, a total of around 700 advanced training days were spent on impulse training, 90 advanced training days on coaching, and 1,000 advanced training days on team development measures.

Mission statement, values and principles

G4-56



Management principles

G4-56



Postbank dialogue

Postbank's Chairman of the Board, members of the Board and divisional managers visit the Bank's sites to inform employees of all company divisions about current developments at Postbank and to find out from them what is important with regard to their company, location and daily experience. The regular dialogue with employees has become a firmly institutionalised management tool. It offers the chance to develop a common understanding about the best path to the future.

More than 20 dialogue events were held in the following cities and regions in 2016: Nuremberg, Berlin, Leipzig, Karlsruhe, Munich, Bonn, Dortmund, Düsseldorf, Hanover, Hamburg, Freiburg, Stuttgart, Frankfurt, Cologne, Bremen, Hameln, Darmstadt, Ulm, Wiesbaden, Saarbrücken and Regensburg.

Moreover, employees can also send their questions and suggestions by e-mail directly to "Frank Strauß in dialogue".

Postbank Award

The Postbank Award is given in recognition of employees who put the values of the Postbank's mission statement into practice in an exemplary way. Winning teams are presented with the award in the course of the annual management conference, the gathering of the Management Board and executive managers.

All Postbank managers can submit nominations for individual employees or even entire teams. The jury consists of 16 representatives from different departments and from the works council. One golden and two silver Postbank Awards are presented for each category.

Besides extraordinary dedication in the spirit of the mission statement, submissions are evaluated according to the criteria of "Exemplary behaviour and transferability", "Sustainable effect", "Future orientation", and "Extraordinary character".

The Award was presented for the fourth time in 2016. Over 150 suggestions were submitted. 15 winning teams were awarded prizes for their performance, initiatives and projects.



Prizewinners of the Postbank Award 2016 at the presentation ceremony in Berlin.





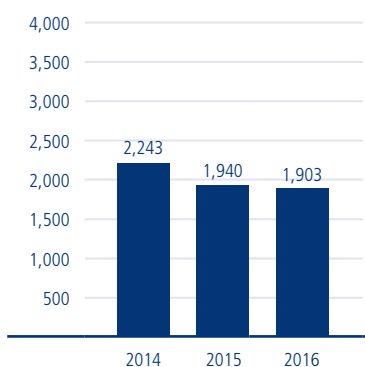
Honoured for
sustainable sales
success in 2016:
the Master Class.



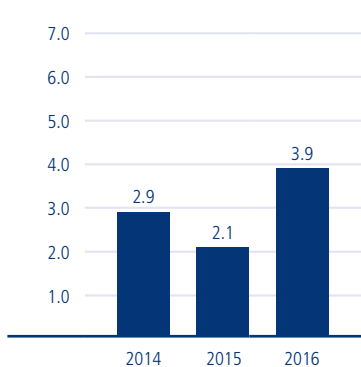
Postbank Master Class

Postbank is focused on sustainability in its sales organisation. The Postbank Master Class is an award for managers and teams that show dedication to the company, employees and customers that goes beyond the normal measure and which reflects the mission statement. The special feature of the award is that only employees who deliver top-class performance in all three disciplines of "sales performance", "customer benefit" and "employee satisfaction/leadership" are inducted into Postbank's "Master Class" for a year.

Submitted suggestions



Calculable total savings from
Ideas management (in EUR million)



Ideas management

Postbank encourages its employees and trainees to play an active and creative role in business operations and to submit suggestions for improvement. Postbank systematically promotes the innovative potential and creativity of its employees. Successful ideas are rewarded with in-kind and monetary prizes. Ideas management contributes towards optimising process flows, improving products and services and developing visions. This actively involves employees in driving the company's process of innovation.

Postbank's ideas management system differentiates between two types of idea: improvement suggestions with a quantifiable earning or saving potential, and ideas without calculable effects. In the former case, the people contributing the ideas receive a bonus based on success when the proposal is implemented. All other contributors receive tickets for a group-internal draw.

Over 1,900 ideas were submitted by employees last year. Postbank was able to achieve savings of more just under EUR 4 million from them. Postbank paid out around 7 % of this sum as bonuses to employees whose ideas were implemented.

Ideas management

G4-26



Supply chain and procurement

Postbank's supply chain includes commodities and services required to operate its offices and branches (in particular buildings, equipment, energy, consumables, external products sold), for transportation (in particular branch logistics, business travel, cash logistics, customer correspondence) and in order to operate its computer centres (in particular hardware and software and IT services). Social, ecological and economic considerations have a significant influence on the decisions about suppliers and the services and commodities procured.

Where the procurement of products and services is Postbank's direct responsibility, it is concentrated in an independent Group Purchasing Unit. This enables the bank to take a holistic view of all economic, ecological and social aspects of the procurement process. It considers the entire life cycle of the products and services it procures.

Before a business relationship with a supplier is established at the Postbank Group, the supplier must accept Postbank's Supplier Code of Conduct and fill in and pass a survey on environmental factors. In the environmental survey, the supplier is initially asked whether it can demonstrate that it has a certified environmental management system. If this is not the case, the supplier must provide more information by answering additional standardised questions as to the areas in which the company pursues what environmental goals. The answers are evaluated by means of a scoring system. As a general rule, suppliers who fail to attain a score of at least "satisfactory" are not considered in quotation and order processes. If they are monopolists or specialists, how to proceed will be decided in the individual case in consultation with the operations department placing the order. In the process, a check is made, e.g. on the extent to which a substitution of the supplier can be made on the basis of Postbank's sustainability goals. This procedure for the evaluation of suppliers according to aspects of

sustainability has gained increasing acceptance among suppliers since its introduction. A number of suppliers have been prompted by Postbank's procedure to apply a similar method in their own procurement processes.

The procurement of commodities is subject to equally high standards relating to sustainability. Before the purchase of IT hardware to equip workplaces, the Postbank Group's suppliers must fill in a product-related questionnaire, so-called "Green IT" performance sheets. Besides technical details, major emphasis is put on ecological criteria here. For instance, details are required concerning energy, the environment (including recyclable packaging materials) and certificates relevant to environmental protection. From an economic point of view, a purchasing decision is made in favour of the IT product that combines the greatest sustainability effects for the same cost/benefit characteristics.

In accordance with the principles of sustainable forestry, only certified paper products from socially, ecologically and commercially sustainable forest management or recycled materials are used.

For more information on the Supplier Code of Conduct, the Environmental Questionnaire and Paper Policy, see section "Guiding principles"

Risk management, Loan approvals and investment



Risk management

The Chief Risk Officer (CRO), who reports to the Board, develops solutions for assessing and dealing responsibly with typical banking risks. Taking risks is a core part of the banking business. Measuring, assessing, determining, planning and managing financial and non-financial risks are some of the main tasks of risk management.

Postbank's risk management include central control and operational units for all types of risk, from entering into a customer relationship through to its termination. Tasks range from outsourcing management to central regulatory communication, from business continuity management to information security.

The common aim is to achieve balanced, sustainable management of our risk capital in order to generate recurring returns for all stakeholders – shareholders, employees, customers and society.



For us, handling risks responsibly means carefully weighing the expected added value against possible risks. In the process, we take the concerns of different interest groups into account. No business is worth losing the trust of our customers and risking our standing with the public. «

Hanns-Peter Storr, Managing Director, Chief Risk Officer

Loan approvals and investment

In the context of its loan approvals, Postbank always evaluates the sustainability of borrowers and their capacity to service debt, and thereby contributes to avoiding over-indebtedness of households.

Loan approval takes place under continuous monitoring of opportunities and risks that result from the responsibility of Postbank towards society, the environment, employees and the company's stakeholders. Transactions directly relating to certain types of goods such as anti-personnel land mines, cluster bombs or ABC weapons are explicitly excluded.

The Chief Risk Officer performs an annual screening of the bank's ten largest credit commitments to companies, financial institutions and commercial mortgage financing under sustainability aspects. Engagements in "sensitive countries" or "sensitive segments" represent a potential reputational risk for Postbank in this context and they are reviewed separately. Countries with politically unstable structures or rampant corruption are deemed to be sensitive in the same way as industries that involve an ecologically or ethically questionable activity.

By reviewing the largest commitments, the Sustainability Officer determines whether a potential reputational risk exists. The result is given to the people responsible for the business field to raise awareness of sustainability issues and extend the assessment of the customer relationship. This forms the basis for any discussion that may be necessary between the Sustainability Officer and the managers responsible in order to develop possible responses.

Sustainability aspects are likewise considered in the investment of customer funds or Postbank's own funds. In this regard, criteria apply analogous to those of loan approval.

Compliance and protection against money laundering

Financial markets can only function in the long term if all involved can rely on the other market players also observing existing legal regulations. Compliance consequently is the duty to act in accordance with applicable legislation, regulatory provisions and internal rules. Compliance protects the trust of market participants.

The compliance function is reviewed on a regular basis

Compliance

Confidence and fairness are the yardsticks by which Postbank and its employees align their relationship to their customers and the market. In the provision of services, the Bank pursues the aim of protecting its customers and market players in equal measure. Conflicts of interest should be avoided wherever possible.

We consider compliance with regulatory provisions to be an essential prerequisite for our long-term success. We have set up an independent function to ensure that the Bank meets its compliance obligations on a permanent basis. The Bank's compliance function develops a uniform understanding of compliance and continually improves the existing system of internal controls. It supports and advises business divisions. Through regular risk analyses and controlling and monitoring activities, it contributes to an organisation that is focused on complying with legal and other statutory obligations. The compliance function thus proactively counters the risk of violations, sustainably protecting the bank from sanctions, loss and reputational damage.

The compliance function undergoes regular audits conducted by internal and external auditors.



Prevention of corruption

Postbank employees must act with integrity and transparency in all business transactions and avoid the impression of obtaining unfair business advantages or acting in a questionable manner. Accepting and granting gifts and invitations is subject to strict rules that are binding on all employees. The acceptance of money or vouchers is generally prohibited. For other gifts and invitations applies: from a low threshold value, each invitation and each gift must be reported, usually even explicitly approved. The rules apply equally to receiving and extending invitations and gifts. In the process, the principles of transparency, integrity and the absence of self interest must be observed. When accepting a gift or invitation, the recipient must additionally ensure that the “non-cash benefit” is declared for taxes.



Postbank's suppliers likewise undertake to abide by its anti-corruption standards. These are defined in the Supplier Code of Conduct.

Fighting money, the financing of terrorism and other criminal acts

The bank uses an effective anti-money laundering programme to support international efforts in fighting money laundering and the financing of terrorism. Regular employee training ensures that the prescribed monitoring and prevention processes are applied correctly.

A special team for the prevention of money laundering has the task of identifying critical money transfers. This takes place on the basis of reports from the branches, the functional departments, information from investigative authorities and other institutions. The work is aided by IT systems that detect suspicious transaction patterns and report them to the teams. If a suspicion is confirmed, it will be reported to the investigative authorities. Detection systems are constantly adapted to changing typologies and potential threats.

A mature anti-fraud management system protects Postbank effectively from “other criminal acts”. These are criminal acts committed with intent in Germany or abroad (in cases where Postbank is represented or operates there) and which could substantially endanger assets at Postbank.

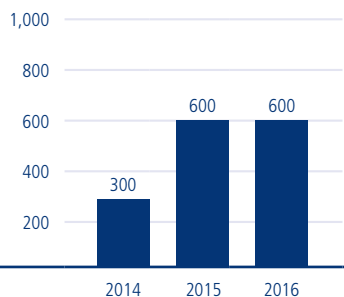
*Fighting money laundering,
the financing of terrorism and
other criminal acts*

G4-14

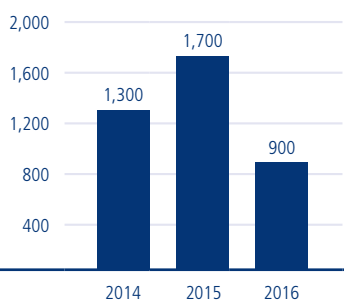


Data protection and data security

Customer requests
(rounded to full hundred)



Request for information about stored data
(rounded to full hundred)



Postbank protects the data that customers entrust to it. It is proactive in ensuring the highest levels of security in online and mobile banking. In 2016 it once again received accolades for the security of its online banking in independent tests.

Data protection

The public debate about new, standard pan-European data protection regulations has again resulted in Postbank receiving a large number of customer queries and complaints with a data protection-related background. As in the previous year, around 600 customer queries on the subject of data protection were received.

In contrast, the number of requests for information decreased. The Federal Data Protection Act grants every customer the right to demand information free of charge as to which data a company has stored data relating to their person. Customers can not only request this data from Postbank direct but also via Internet service portals or by commissioning third-party companies to do so. Postbank sent out around 900 such responses to customer enquiries in 2016. In the previous year the number was 1,700.

The number of submissions from Postbank customers to the Data Protection Supervisory Agency, in contrast, stayed at a low level, with 25 submissions. There were 21 such cases in the previous year.

We take a holistic view of banking secrecy and the protection of customer data. This is why we include the topic of protecting customer data from the very beginning when designing every process from contact point (branch, telephone, Internet) to storage and processing as well correspondence.

Compliance with the requirements of data protection legislation is non-negotiable when third parties are commissioned to provide services on behalf of Postbank. This also applies to our employees' data. Data protection in Postbank's internal communication is taken just as seriously as in external communication.

The EU General Data Protection Regulation will come into force in 2018 and will replace large parts of the current valid Federal Data Protection Act with provisions that apply throughout Europe. We are already working to implement the new requirements comprehensively and punctually in accordance with Postbank's strategic alignment.

[More information here](#)



Mobile security

Cyber attacks on companies are on the increase, and banks are of particular interest to hackers. They can find huge amounts of sensitive data that they can use for their machinations. Postbank is prepared to ward off such attacks.

It is only a few years since unknown persons illegally infiltrated the network of the German parliament, where they were able to intercept virtually any data. It is still unclear who the perpetrators were. This provides one reason more to protect critical IT infrastructures, which include those of banks, against attack in accordance with the provisions of the IT Security Act (ITSiG). "According to the Federal Ministry of the Interior, cyber security has become one of the central challenges, in particular as a result of the increased use of data," says Britta Rothe, Postbank lawyer specialising in IT law. "Criminality is increasingly shifting to the Internet." Banks are particularly interesting for cyber attacks. This is all connected with increasing Internet activities in payment transaction between customers and banks, for example through online and mobile banking. The combination of personal and transaction-related data that can be found in banks is extremely interesting for criminals. At the same time, there is a growing desire among customers, especially in online and mobile banking, to have the greatest degree of security possible. Financial institutions like Postbank have therefore developed comprehensive information and security systems in their own interest and are continuing to extend them. In addition, the supervisory framework has been strengthened in the last few years.

Perfectly prepared

Postbank operates sophisticated interlinked security systems that are even more effective since the expansion of the "Chief Information Security Officer" (CISO) role, and which work together with those of IT subsidiary Postbank Systems. Employees are also required to raise the Bank's information security. "It's advisable always to lock computers during the lunch break," says Guido Kaminski, Information Security Officer. However, IT security is not just something to do with IT systems. Postbank employees receive explicit instructions on how to handle their documents with care. Appropriate tools such as training seminars and information events are intended to raise awareness among Postbank employees for the topic of information security.





Automatic teller machine with a so-called
"frog mouth" to prevent fraud.

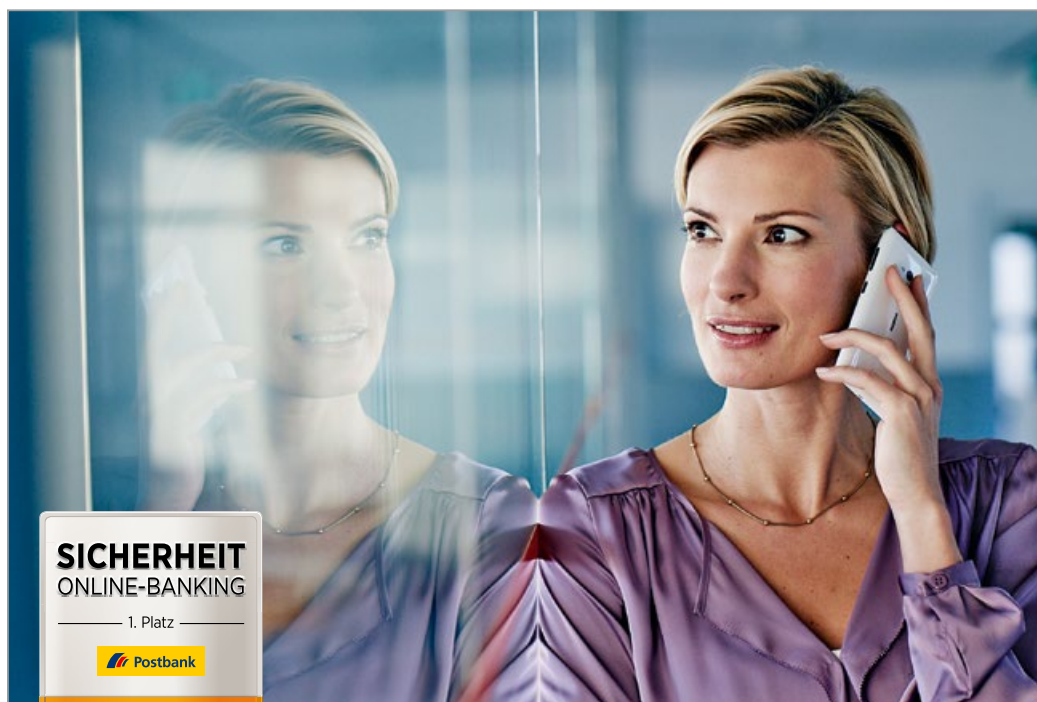
Security in online and telephone banking

In 2016 we expanded our systems-based fraud detection programme, enabling us to further lower loss and damage from fraud in online and telephone banking. Above all we succeeded in increasing the speed at which our defence systems adapt to new or modified patterns of attack (modi operandi).

An important element in the fight against fraud is educating our customers. They can quickly gain an overview of the security advice in online banking and improve security for themselves.

Fraud detection and prevention staff continue to work on preventing fraud before customers or the bank suffer any loss or damage. They are working on improving their analytical tools so that patterns in the perpetrators' fraudulent behaviour can be quickly identified.

[More information here](#)



SICHERHEIT ONLINE-BANKING

1. Platz



Handelsblatt

Gesamtergebnis
Im Test: 8 Filialbanken
handelsblatt.com · 02.01.2017
Quelle: S.W.I. Finance

Postbank took first place in the Handelsblatt comparison of security in online banking. Analysts S.W.I. investigated security and identity authentication procedures and the quality of customer communication at eight bricks-and-mortar banks.

In an emergency: 0800 1008 906

missbrauch@postbank.de

Security of self-service terminals

Manipulation of ATMs throughout Germany increased slightly once more across the industry in 2016 – however at what was a generally low level. While 2010 saw 1,765 cases of manipulation of ATMs in Germany, in 2016 the number was 159. One particularly positive aspect was the fact that the total loss incurred decreased even further thanks to better protective measures taken by banks and retailers.

In 2016, several groups of perpetrators again attempted to rob ATMs across Germany by targeted explosions. The number of cases almost doubled, and a number of isolated attacks were carried out on Postbank devices. The damage for the Bank could be limited through security equipment installed in the ATMs. Postbank's ATMs have been equipped everywhere with so-called money inking features, a colour cartridge using ink to render the notes useless as soon as the machine is broken into.

The number of other fraud scams associated with ATMs and self-serve terminals continued to drop in 2016. Technical security measures in the processing of card payments and the regular monitoring of self-service machines as well as increasing awareness among customers have contributed to a sustainable decrease in scams relating to the card business.

Postbank provides regular information to its customers on questions concerning security in online, telephone and self-service banking and has set up a telephone hotline and a special e-mail address for customers affected. Customers who are affected will also find experts to contact at all Postbank branches and around the clock in Postbank call centres.

[More information here](#)



The most secure online bank

Postbank achieves above-average results in the categories of "security and "customer focus". 41 banks were included in a country-wide test.

Postbank was again the "Most secure online bank" according to the result of a study conducted by business magazine FOCUS-MONEY and DEUTSCHLAND TEST. 41 financial institutions from all over Germany participated in the 2016 annual test, which covered 22 aspects in the categories "security" and "customer focus". Postbank scored the highest number of points for the fourth year in succession.

"At Postbank, we give top priority to security in online and mobile banking. Our uncompromising principle is safety first. We offer our online customers the highest standards of safety and the latest security procedures. In future we will continue to do

everything in our power to offer our customers not just maximum protection but also tips on how to prevent possible dangers," Philip Laucks, Chief Digital Officer at Postbank, explains.

The test involves questions on aspects of online security, for example methods for the approval of transactions as well as encryption techniques. However, under the heading of "customer focus" the experts also assessed how banks provide information on the subject of security in online banking and how they can be reached by their customers in an emergency.



For the fourth time in succession:
the most secure online bank

Social sustainability



Employees | *Postbank wants to be a fair and attractive employer for its employees. It helps its employees develop their personal potential. It makes customised offers for work-life balance and supports its employees staying fit and healthy. It promotes diversity among its workforce. Postbank is convinced that highly trained and dedicated employees are the most valuable asset of a modern service enterprise.*

HR management

Facts and figures

At the end of 2016, a total of 21,719 employees worked at the Postbank Group. This corresponds to 18,112 full-time equivalents (FTEs). The increase over the previous year (2015 numbered 17,875 employees, or 14,758 FTEs) can be explained by the reintegration of former subsidiaries with effect from 01/01/2016. Most of these had been temporarily transferred to an affiliate of the Deutsche Bank Group. In terms of FTEs, 58.8 % of the workforce were employees covered by collective agreements, 24.8 % were civil servants and 16.4 % were employees not covered by collective agreements.

99 % of employees work in Germany. Only 1 % of staff are distributed over sites in Italy and Luxembourg.

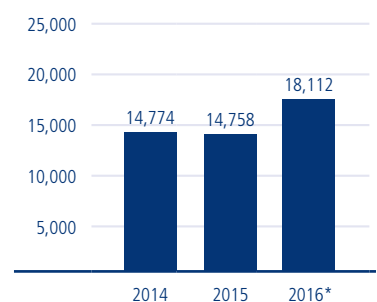
Almost 93 % of employees work on a permanent contract. The figure for the previous year was just over 91 %. Employees' strong identification with the Bank is expressed in the long average length of staff membership of 21 years. The fluctuation rate is also low. At 7.0 % (for full-time employees) it remained the same as in the previous year. In 2016, 1,001 new employees were hired and 1,332 employees left the company. The main causes for resignation from the company were early retirement agreements, the start of the statutory pension, and the expiry of fixed-term employment contracts.

Postbank offers its employees flexible working time models, helping them to achieve a balance between their career and personal life. Around 24 % of employees make use of part-time offers, most of whom are women (92 %). There are flexible working time arrangements for all employees that also make it simpler to reconcile family and career.

Postbank introduced "mobile working" in 2015, which it expanded in 2016. Employees in a number of the Group's affiliates can perform 20 % of their work as mobile working time, e.g. from home. The concept has proved to be hugely successful among employees and their supervisors so that the Bank plans to expand it throughout the Group in 2017.

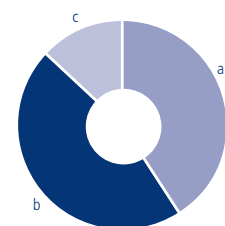


Headcount (in full-time equivalents)



*Increase resulting from the reintegration of subsidiaries

Newly hired employees

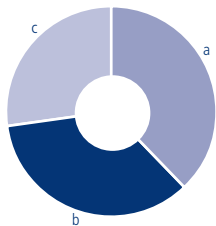


- a 41 % under the age of 30
 - b 46 % aged 30–50
 - c 13 % above the age of 50
- Total: 1,001

Facts and figures

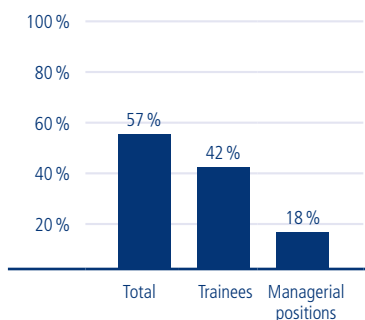
G4-DMA	G4-10	G4-11	G4-LA9

Resigned employees

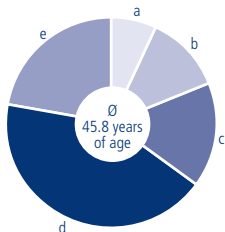


- a 27% under the age of 30
 b 35% aged 30–50
 c 38% above the age of 50
 Total: 1,332

Percentage of female employees

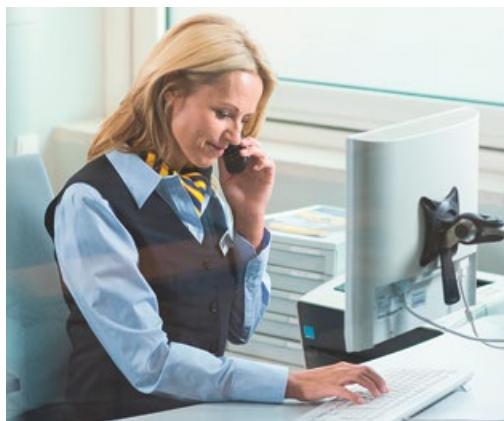


Age structure of employees



- a 7% up to 24
 b 12% aged 25–34
 c 16% aged 35–44
 d 43% aged 45–54
 e 22% above the age of 54

57 % of Postbank staff are female. Postbank has set itself the objective of increasing the percentage of women in executive positions. For this purpose, it started a comprehensive “Diversity Management” programme in 2012 and differentiated its targets further in 2015 (cf. subsection “Diversity” in this section). At the end of 2016, 35 % of the Supervisory Board members of Postbank AG were women (previous year: 24 %), and on the Management Board this figure was 17 % – excluding the general representative – (previous year: 14 %). The women’s quota among executive managers in the Group as a whole rose two percentage points to 18 % in 2016. The share of female trainees remained virtually unchanged at 42 % (previous year: 41 %).



The average age of the workforce was 45.8 years (2015: 45.7 years). It is thus about equal to the average of the German population. A special challenge for HR management is that the baby boomer generation is nearing retirement. Postbank is taking this fact into account by recruiting younger employees in a timely manner. It has developed methods through which the knowledge and experience of older employees is passed on to the next generation.

The total number of trainees increased to 1,052 in 2016 (2015: 1,000). The majority of them are training to become bank clerks, followed by sales representatives in the area of postal and bank services and sales-oriented bank clerks. 65 trainees are

combining their vocational training with university studies.

The percentage of employees with serious disabilities was 8.0 % at the end of 2016 (2015: 7.4 %). We again exceeded the statutory quota of 5.0 %.

New employees receive a personal welcome letter from the Board when they join the company. With this the Bank underscores the value of each and every employee for the company’s success and helps to integrate staff into their new working environment.

Employees who leave Postbank of their own accord can take part in a voluntary and anonymous online survey. This provides us with information on their reasons for leaving and enables us to work on further improving our attractiveness as an employer.



The Corporate Research Foundation (CRF) honoured Postbank with the title of “Top Employer in Germany” for the ninth time in succession.

Facts and figures

G4-LA9



Employee indices

31/12/2016

Number of employees¹ 21,719

Average length of service 21 years

Average age 45.8 years

Proportion of female employees 57.2 %

Proportion of female employees 42.8 %

Permanent contracts of employment 20,093 92.5 %

of whom female 11,613 53.5 %

of whom male 8,480 39.0 %

Temporary contracts of employment 1,626 7.5 %

of whom female 800 3.7 %

of whom male 826 3.8 %

Full time 16,423 75.6 %

of whom female 7,549 34.76 %

of whom male 8,874 40.86 %

Part time 5,296 24.4 %

of whom female 4,864 22.4 %

of whom male 432 2.0 %

Newly hired 1,001 4.6 %

of whom female 508 2.3 %

of whom male 493 2.3 %

External departures 1,332 6.1 %

of whom female 836 3.8 %

of whom male 496 2.3 %

Germany 21,601 99.46 %

of whom female 12,361 56.91 %

of whom male 9,240 42.54 %

Luxembourg 105 0.48 %

of whom female 44 0.20 %

of whom male 61 0.28 %

Italy 13 0.06 %

of whom female 8 0.04 %

of whom male 5 0.02 %

Number of employees¹

(converted to full-time equivalents) 18,111.86

Turnover rate (full-time equivalents) 7.0 %

Employees covered by collective agreements

(full-time equivalents) 10,651.53 58.8 %

of whom female 6,837.23 37.8 %

of whom male 3,814.30 21.1 %

Employees not covered by collective agreements

(full-time equivalents) 2,964.95 16.4 %

of whom female 678.16 3.7 %

of whom male 2,286.79 12.6 %

Civil servants

(full-time equivalents) 4,495.38 24.8 %

of whom female 2,314.63 12.8 %

of whom male 2,180.75 12.0 %

Executives

(full-time equivalents) 459.09 2.5 %

of whom female 84.31 0.47 %

of whom male 374.78 2.07 %

Non-executives

(full-time equivalents) 17,652.77 97.5 %

of whom female 9,745.71 53.8 %

of whom male 7,907.06 43.7 %

1) The increase over the previous year (2015: 17,875 employees, 14,757.57 FTEs) can be explained by the reintegration of former subsidiaries with effect from 01/01/2016. Most of these had been temporarily transferred to an affiliate of the Deutsche Bank Group.

Employee indices



Information on remuneration systems **Employee survey 2016**

Postbank places great value on an incentive-oriented remuneration system. It remunerates its employees according to their work and responsibilities. No differentiation is made, for instance, by gender, nationality, ethnic origin or religion. Furthermore, the remuneration systems satisfy regulatory requirements for remuneration in banks.

This applies to executive managers and non-executive employees not covered by collective agreements, staff covered by collective agreements and civil servants. Most of them receive an annually payable, variable salary component in addition to their base salary. We calculate the variable salary component based on target agreement and performance assessment processes. As part of these processes, employees are assessed on a regular basis, however at least once annually after the end of the calendar year. Moreover, monitoring appraisal interviews are also held in the course of the year.

Remuneration components for managers with incentives promoting sustainable action have been established for several years. Parts of the variable remuneration are deferred and dependent on the sustainable development of the company.

67 % of employees participated in the 2016 employee survey. This constitutes a new record following 64 % in the previous year. The approval ratings in many categories (e. g. mission statement, communication, capacity to change) improved on or remained at the same level as the previous year. One particularly positive aspect is that approval concerning the topic of management climbed once again. This shows that the measures initiated such as impulse training are having a lasting effect.

A very high level of commitment, opportunities to apply one's own skills and knowledge at work, familiarity with the mission statement, understanding for challenges in the current environment and the possibility to work autonomously – these questions received approval ratings of over 80 %, with some of them improving over 2015.

As in every year, managers discuss the results of the survey with their employees in order to gather suggestions for concrete improvements that make day-to-day work more efficient and raise satisfaction in the workplace.



“The basis for becoming even better”

The employee survey reveals employee satisfaction as well as critical topics every year. Ralf Stemmer, Managing Director Resources and HR, explains which results are of particular significance for the development of the Bank and what the consequences of this are.

In a nutshell, what do you think of the results of the latest employee survey?

I am particularly pleased at the high level of participation. It shows that our employees are very interested in helping to shape their Bank. On the whole, the results reflect a positive development. The values from the previous year were exceeded in many areas. This is remarkable as we demanded a lot from our employees in a difficult 2016 with all its challenges.

Postbank asked about the workload of staff for the first time. What conclusions do you draw from the results?

There's no question that 2016 was a very demanding year, for example with the demerger from the Deutsche Bank Group with the simultaneous urgent project like the introduction of a new account world. The responses reflect the high workload that we definitely have in many areas. On the other hand, the results show the high level of commitment of Postbank staff for their company. This makes me very optimistic that we will meet the challenges that our environment will place on us in the future. It is therefore all the more important for us to create the right conditions to ensure that every one of us can also deliver good performance. We still have a lot of work cut out with this.

In previous years employees often expressed critical comments on the subject of management. How does Postbank rate now?

We have obviously made good progress in the past few years. Three years ago we addressed the challenges relating to managing employees, for example by introducing our management principles and setting up impulse training. We can now see that our efforts have been worthwhile – the results have risen ten percentage points in this time. Today we have a high level of satisfaction regarding the topic of management – and we are working at raising that level even further.



Ralf Stemmer,
Managing Director Resources
and HR

The goal: continuous improvement

Managers at the Bank discuss the results with their staff and define improvement measures. Overarching topics that need to be addressed at senior management level are forwarded to the Board.

Change: 75 % of employees appreciate the capacity to change that Postbank and its workforce show in challenging times – the highest score of all eight dimensions.

Management: 70 % approval rating was given to the “management” dimension. A success for the measures taken to improve the quality of management over the past few years.

Customer focus: 71 % gave a positive response to questions concerning customer focus. The dimension therefore decreased by five percentage points over the previous year.

Mission statement: 65 % approval was given to the dimension “mission statement” – most employees are familiar with the mission statement and many would like it to be put into practice to a greater degree.

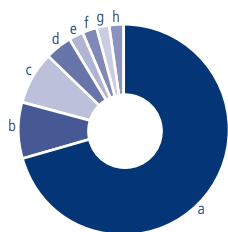
Workload: 70 % of employees indicate that they are able to meet their workload in the time available.

Supervisors: 56 % can find a solution with their supervisor whenever works gets too much.

Training and development



Trainees 2016



- a 735 bank clerks
 - b 89 sales representatives in the area of postal and bank services
 - c 83 sales-oriented bank clerks
 - d 42 dialogue marketing professionals
 - e 24 IT specialists
 - f 23 students at Bonn-Rhein-Sieg UAS
 - g 21 students at Weserbergland UAS
 - h 21 Weserbergland students (BSc in Information Systems)
- Total: 1,038 trainees and combined degree course students

The Postbank Group had 1,038 vocational trainees at the end of 2016; it had exactly 1,000 in 2015. Just over 400 of them began their training or dual-track degree course in 2016. The most popular training profession is that of bank clerk. Applicants can choose between eleven different training and degree courses.

Despite a renewed increase in the number of traineeships, the trainee quota fell slightly. The reason for this is the reintegration of former Postbank service companies back into the Group in 2016.

It has been possible to train to become a sales representative in postal and bank services at seven training locations throughout Germany since 2016. Over 90 trainees are currently on this course, and another 80 training places are planned for 2018.

In 2016 we recruited the first trainees for the new training profession of "office management assistant". It will be offered at four locations in Germany from September 2017.

We involve our trainees in day-to-day business from the very beginning. This enables them to understand economic relationships and the Bank's business model. Students and trainees can count on the support of tutors at the Frankfurt School of Finance & Management and Postbank Akademie und Service GmbH when they need specialist assistance. Additional seminars and workshops are designed to help young people prepare for their later job and for their final examinations.

Postbank's training centre in Dortmund took first place in the "Dortmund Business Training Awards" in 2016. This is the third time that Postbank gained a place on the podium in these awards, confirming our efforts to provide particularly high-quality training.

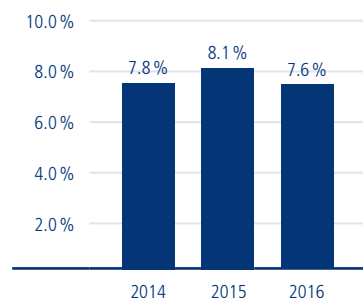
Aspects that were judged included the degree of innovation of the training programme, the attention given to promoting quality in the training programme and training commitment.

Almost 95 % of trainees completed their training successfully in 2016. The Bank offers every trainee proving themselves during their training a contract of employment.

Besides traditional training professions, Postbank offers a variety of dual-track degree programmes. Accordingly, 15 students started their new dual-track degree programme with Bonn-Rhein-Sieg University of Applied Sciences in 2016. The programme combines high-quality, bank-specific academic content with periods of intensive work in at least two divisions and four different departments of Postbank AG. This dual-track degree course primarily serves to secure young academic staff for head office functions at the Bonn location.

We also offer dual-track degree courses in Hameln in close cooperation with Weserbergland University of Applied Sciences. Applicants can choose between two degree courses: the practice-based Bachelor of Arts in Banking Management or the Bachelor of Science in Information Systems.

Trainee quota



Sustainability is a key component of our mission statement and is a part of the learning content during vocational training. Trainees at all sites take part in training seminars, group exercises and role play to practice tolerant interaction with one another, to recognise signs of discrimination, xenophobia and racism and to take steps to prevent them. Further sustainability-related courses offered include:

- Health promotion for trainees ("Healthy Start" programme)
- Ergonomics and safety at work
- Social skills
- Environmental protection
- Awareness in dealing with resources

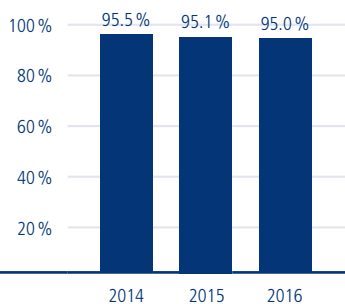


Students of recruitment year 2016 in Hameln

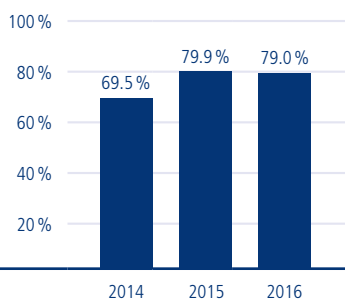


Honoured by the Board: award for the best trainees taken on, 2016

Rate of trainees passing exams



Rate of trainees transferring into employment



Bank clerk and dialogue marketing assistant trainees at the Dortmund training centre, 2016



Internships

160 students completed an internship at Postbank in 2016. We see our extensive internship programme as an investment in the future. An internship is frequently the start of a career with Postbank.

Postbank has joined the “Fair Company” initiative and in the process undertaken a number of voluntary commitments:

- No substitution of full-time positions by interns or trainees
- University graduates applying for a permanent position are not to be fobbed off with internships
- Interns are not to be attracted by vague promises of subsequent full-time employment
- Internships are primarily offered for the purpose of career orientation
- Interns are paid an adequate allowance for expenses

Internships are intended to have a “training character”, which is why Postbank actively involves its interns in daily business and concrete projects, and also conducts feedback meetings on a regular basis. The minimum duration of an internship is three months, with the average duration being between three and six months. Interns are able to get to know other areas of the company in order to broaden their horizon. They can also attend seminars and workshops that go beyond the immediate field of their internship. In order to add an additional social component to the internship programme, a network has been set up that holds regular meetings allowing interns to exchange experience and get to know each other (e.g. interns’ regular round table).

Development

For Postbank, well-trained employees are the most important prerequisite for sustainable success. We wish to support our employees in their personal and professional development in our own interest. This is why we actively support them in constantly enhancing their knowledge and skills. We have based our educational offering on the principle of lifelong learning. There are numerous training and educational opportunities available as well as offers for improving health, performance and job satisfaction.

The most important aims are:

- Expanding specialised expertise, keeping up to date and passing on knowledge to the next generation
- Identifying and developing individual potential
- Developing perspectives, strengthening leadership, promoting health in order to increase employee satisfaction

Last year employees attended a total of 52,783 training and development days. Of these, 21,496 training and development days were attended by female employees and 29,685 by male employees. Executive managers attended 1,602 training and development days. This corresponds to an average of 2.5 training and development days for female employees and 3.2 training and development days for male employees. Executive managers participated in an average of 3.4 training and development days.

We offer all employees training in how to deal with high levels of physical and mental stress. They are entitled to take a personal fitness test and attend courses on improving their health. There is also training on personality development in extreme private and professional situations aimed at strengthening psychological stability.

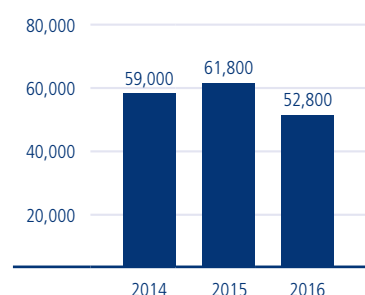
Examples from the health programme:

- Advanced professionals workshop – a focus on health
- The manager as health manager
- Health – tips against stress

Advanced training at Postbank also means promoting specific careers and helping our employees to take the next steps on the career ladder. Examples here include:

- **Postbank Scholarship**
Support for advanced qualification and part-time degree courses for Postbank high performers with initial professional experience interested in further qualification. Chamber of Commerce qualifications are funded with up to EUR 4,000, Bachelor's and Master's degree courses with up to EUR 8,000. Around 100 scholarships awarded in 2016.
- **Advanced Professionals**
Offer aimed at supporting high performers in a specialist career and personal and professional stocktaking.
- **Junior Management Programme**
Programme in preparation for the next career move for non-managerial employees with the potential and drive to advance.

Advanced training days
(rounded to full hundred)



Average advanced training days



Development

G4-LA9 G4-LA10



- **Management Programme**

A scheme aiming to prepare the next career move for experienced non-managerial leading employees with the goal of acquiring leadership skills.

- **Women's Development**

A measure that is targeted towards female employees who have the potential for a management role but do not hold a management position.

- **Managers' Curriculum**

725 employees participated in a Managers' Curriculum training course in 2016 – more than twice as many as in the previous year. The Managers' Curriculum was launched in 2015. Training courses are orientated towards the different roles of a manager: "the manager as strategy developer", "the manager as a change manager", "the manager as a coach", and many more. Many courses can be attended jointly by managerial and non-managerial employees. This increases training utilisation and strengthens the Bank's internal communication network.

- **Impulse Training on Management Principles**

This one-day workshop offers the opportunity for a cross-divisional exchange of experience and is intended to provide impulses for regular reflection on one's own leadership. Over 700 managers took part in an impulse training course on the Bank's management principles in 2016. The decrease compared to the previous year (around 1,000 participants) can be explained by the continuing implementation of the management principles that were embedded in the Postbank Group in 2015.

- **Talent Management**

Besides the Junior Management Programme and the Management Programme, Postbank's Talent Management Programme also addresses the process of identifying talent and developing a talent pool by the talent brokers of staff development. The intention is to identify and promote talented individuals and to make them visible within the Bank. The number of participants in the Talent Programme increased to 122 in 2016 from 96 in the previous year.

The Bank strives to find employees for specific tasks by using objective and optimised selection processes. Its aim is to ensure appropriate objectivity in the application process in future.

In 2016 we successfully completed a pilot project for professional development based on "structured development meetings". This form of dialogue allows employees to receive feedback on their professional development from their supervisor. It is the employee who takes the initiative. Managers are supposed to inform their staff of the opportunity of a structured discussion of their development. The process consists of a self-appraisal on the part of the employee and an assessment of their performance and potential by their manager. This is followed by a development meeting in which the self-assessment is compared with the external assessment and possible development measures identified. The employee may ask for the results to be presented to several managers for discussion at so-called "People Days". This builds up a pool of talented people identified in a relatively objective process.

Postbank's learning concept combines two different methods: events requiring personal attendance and computer-based learning like e-learning or web-based training.

The educationally favourable alternation between different learning media also promotes learning for oneself and personal initiative.

E-learning covers a number of different areas such as learning clips about bank-specific topics, questions concerning social and methodological skills as well as sustainability-related topics. Examples of these include work, fire and health protection and the Postbank's environmental management programme.

Knowledge transfer

A large number of the Bank's employees will retire in the next few years. It is these employees that have a vast amount of specialist knowledge, individual experience, moral values and detailed information that are of huge value to Postbank. Active knowledge management has been introduced in order to avoid losing this expertise and to pass it on to new employees.



The "knowledge relay" introduced in 2011 provides the organisational framework for the greatest possible transfer of experience from a predecessor to their successor when a position is newly filled. The areas of experience and knowledge are captured, sorted, linked and documented in a systematic process. Experienced education managers from the Postbank Academy accompany the process to ensure the smooth transfer of specialist, project and management expertise. The knowledge relay is also used to exchange experience with substitutes and to familiarise new employees with work. This process has proven to be a dependable instrument in the past few years.

“From Syria to Postbank Systems: the somewhat different internship”

Having arrived in Germany in 2015, Salih Al Harbat embarks on an internship at Postbank Systems in September 2016. Highly motivated and eager to learn, he performs his tasks with the support of his department. Aiming to obtain a vocational training place, learning new (programming) languages is no obstacle for the young man.

Salih Al Harbat had one goal – to eventually work in IT. Salih Al Harbat is from Syria and was interested in IT topics from an early age. However, the war and a subsequent short stay in Jordan made it impossible for him to realise his dream. Salih Al Harbat has been in Germany since 2015. The 19-year-old with a recognised technical college entrance qualification is learning German very quickly in order to embark on a new beginning here. He began an internship in the Postbank Systems data centre in Bonn on 15 September 2016.

The internship is varied and includes working with operating systems, writing scripts and learning programming languages. The young intern has received enthusiastic support from the whole department. “It is great to see how committed and eager to learn Salih has been since day one of his internship – supporting him is great fun,” says his supervisor in praise of the new intern.

Salih Al Harbat has not quite yet reached his goal, but the lights are on green. Mr Al Harbat has signed an agreement running until August 2018 for a “one-year entry qualification” with the aim of starting vocational training to become an IT systems integration specialist at Postbank Systems AG in the second half of 2018 after successful application.

“I would like to train to be an IT systems integration specialist. It’s the big chance of my life. A chance that my supervisors gave me because they said I could apply for it. And now I’ve done it. I hope that the vocational training works out.”

We wish him every success!



Salih Al Harbat (centre) with mentors Tobias Koch (left) and Sebastian Liedtke (right)

Life and work

Career and family

The non-profit organisation "berufundfamilie gGmbH" regularly checks Postbank's family-friendly corporate culture. It offers an established management tool for reconciling career and family that is supported by the Federal Ministry for Family Affairs. Since Postbank attaches great importance to the development of women as part its diversity management programme, for which this instrument is highly suitable, we use it in various ways throughout the company.

After the first audit and certification in 2011/12, the berufundfamilie audit in 2016 confirmed the certification of Postbank and its branches.

The following milestones were reached in 2016:

- Mobile working: following its introduction in 2014 at head office in Bonn, mobile working was further developed within the Postbank Group in 2016. Beneficiaries now include staff at Postbank Systems, employees at the management operation of Postbank Filialvertrieb AG as well as Postbank Factoring. Negotiations are currently under way with employer and employee representatives to conclude further company agreements at various locations. The arrangements permit employees to perform up to 20 % of their regular working hours at home or on the road.

- Child care allowance for retail outlets: parents can apply for a monthly allowance of up to EUR 200 child to cover the costs of external child care.
- Scholarships for employees' children to study abroad: a total of ten scholarships for the International Student Exchange Programme and the International Community Service Programme.
- Parent-child offices: continuation in Bonn and Munich.

pme Familienservice

Postbank works with pme Familienservice to support its employees throughout Germany in reconciling family and career. The broad range of services offered is very popular among employees. The concept includes regular care for children in day care centres, a backup service for care in emergencies, holiday programmes, household assistance and homework supervision.

Employees at the Bonn site are able to have their children looked after in the "Bumble Bees" child care centre, which is operated by pme Familienservice GmbH. The educational team at the facility receive regular training and development.

The service portfolio of pme Familienservice also includes care-related services for elderly family members. Employees can find out more about all offers on the intranet and from the pme Familienservice service portal.



Social fund

Postbank set up a social fund in 2000. The budget it covers is intended for the payment of social benefits to employees and is divided between head office and the sites according to the number of employees. The following social benefits are financed by the social fund:

- One-off allowances for exceptional emergencies involving employees
- Expenditure on company parties
- Gift savings books
- Small tokens and give-aways

Postbank provided a budget of EUR 199,700 in 2016.



ErholungsWerk

ErholungsWerk Post Postbank Telekom was established 45 years ago. The association's goal is to facilitate recreational holidays for former and current employees. ErholungsWerk primarily targets employees with limited financial means. It operates its own holiday resorts as well as offering a wide range of travel to interesting tourist destinations in collaboration with a number of partners – all at affordable prices, also during the peak season. In certain circumstances, Postbank employees can receive allowances for themselves and their accompanying children.



Betreuungswerk

Betreuungswerk Post Postbank Telekom was established in 1892. The charitable foundation still provides support in the following cases:

- Aid to the needy and orphans
- Assistance for studies
- Work with senior citizens

The funds used to support people in need come from donations and from interest income on the foundation's capital. Deutsche Post AG, Deutsche Telekom AG and Deutsche Postbank AG bear the administrative costs so that the full amount of every donation benefits those in need.

Mobile working

Since it was introduced at head office in Bonn in 2014, the new working time model of the Postbank Group has proven increasingly popular. Over 200 employees in various companies already perform their work in this way. And the trend is growing. After signing a supplementary agreement to their contract of employment, employees are able to work an average of one day a week from a place of their choosing and are given greater personal responsibility for managing their own time. In addition to enhancing their work-life balance, it allows employees to combine family, care and career more easily. Mobile-flexible working increases employees' satisfaction and well-being. Additional positive effects are increased motivation and better health. The environment also benefits as commuting and parking problems are reduced.

Life and work

G4-DMA



Health

Postbank helps its employees stay physically and mentally healthy. It has established a comprehensive health management system that is firmly anchored in its HR Strategy 2020. The measures offered to protect and promote health again proved popular among employees in 2016. Total participation was 87,350 (2015: 75,700), demonstrating a strong increase in acceptance.

We see investments in our employees' health not only as a contribution to the Bank's stability but increasingly also as a factor in competition for qualified employees and young talents. With its comprehensive health management programme, we are positioning ourselves in the labour market as a reliable, responsible and socially sustainable employer.

The range of measures offered to our employees is broad. They include personal consultations on specific health questions, effective short exercise units at the workplace, and personalised, regular courses focusing on a selection of topics. Popular courses during the year covered power workouts, relaxation training as well as running and walking groups for corporate running events in 2016. These measures are supplemented by targeted impulse campaigns and courses to communicate knowledge about health. Our employees can find numerous tips and background information on fundamental health-related questions and seasonal topics on our intranet. The many suggestions and ideas that we receive from our employees help us to continue to develop our range of measures.

In 2016 we joined with health insurance fund Deutsche BKK to pilot test the "Online platform" project aimed at developing the health management programme at the sites in Hamburg and Bonn as well as the branch region of the City of Hamburg. 300 employees registered for a total of 32 different events ranging from talks to screening measures over a period of several months.

The screening measures offered proved particularly popular – they were completely booked out. All the measures were evaluated and have been used in the development of Postbank's health management programme in 2017. Local events providing information about the merger of health insurance funds Deutsche BKK and BARMER GEK were held at all major sites. Employees were able to obtain information about the merger with Barmer and to win a basket of fruit in a nutrition quiz.

The unique structural solution of "Contacts for Health" from VIP-Training GmbH was rolled out throughout Germany since 2014. Contacts for health are available at 13 major sites – and since 2015 also in 15 branch regions of Postbank Retail Outlets. They make central topics like nutrition, exercise and relaxation at the workplace an experience while trying to integrate important insights into everyday work routine and leisure. They act as personal advisers in questions of health and can be reached by phone and e-mail even outside their normal hours.

Our employees have made extensive use of the measures offered by the contacts for health. 16,000 cases of participation were recorded at a total of 330 branches, and 70,300 cases at major sites. Feedback from employees has been entirely positive.

Scientifically based awareness of health among our employees contributes to the stability of the Bank. For this reason, all young people joining the Bank undergo the "Healthy Start" programme at the very beginning of their career. It shows trainees why they should take responsibility for their health and how they can balance their private life and work in a sustainable way. The programme is sponsored by Postbank's principal health insurance fund. It begins when young people join the company and extends throughout their entire period of training. The programme is stimulating and



Day of action to mark the merger of Barmer: employees gathered information and had the chance to win a basket of fruit in a quiz.



Corporate run in Essen in June 2016

varied thanks to a mixture of methods such as live events, online support and knowledge transfer.

Many Postbank employees enjoy taking part in corporate runs. Participation costs are covered by Postbank Immobilien and the health management programme. In addition, the Bank donates one euro to “Save the Children” for each kilometre run. In 2016, 900 employees took part in corporate runs all over Germany – 200 more than in the previous year.

For more information, see section “Donations”.

The typing campaign to find stem cell donors held under the slogan of “From employees for employees” during the year was particularly successful. Contacts for health collaborated with the Stefan Morsch Foundation to provide the possibility for free registration and discussion with the foundation at various sites. Just under 200 new registrations were achieved, and it was possible to raise awareness for the topic of leukaemia among employees. Each year the Bank offers its employees a flu vaccination in order to ward off health risks.

In the field of occupational medicine, Postbank has pursued an interdisciplinary care concept since 2015: under the leadership of a company physician, further experts from relevant specialities (e.g. psychology) are involved in care. The coordinated interaction and holistic approach enable them to address the requirements at Postbank promptly, comprehensively and appropri-

ately. Occupational medicine in the person of a company physician is a fixed part of the Bank’s company health management programme. The service has been provided by ias AG (Institut für Arbeits- und Sozialhygiene Stiftung) since mid-2015.

Health promotion in figures

Number of company sports groups	7
Branch regions with regional Contact for Health	15
Sites with Contacts for Health	13
Flu vaccinations	1,150
Participation in health measures	> 87,000
Participation in corporate runs	> 900



Typing stem cell donors at the Hamburg site

“We all pull together in the boat”

Team rowing 2016 on the Weser was a great success for the Hameln site. Not everyone found training to be the main objective. Having fun, developing team spirit and sharing the experience were as equally as important as the health aspect.

The Weser in Hameln was the scene of another sporting event in June – the 14th Dragon Boat Fun Regatta. A total of 56 teams ventured out onto the river in order to race and to win one of the coveted titles in the “Fun” and Sport” categories. Postbank in Hameln entered two teams – the “Mousecatchers” and the “BlackITs”.

The “Mousecatchers” boat, in which employees from Postbank Immobilien, Postbank Financial Consulting and BHW Kreditservice have been paddling for years, was entered in the “Sport” category. Teams in this category put in significantly more training than teams starting in the “Fun” category. “The colleagues have been going out on the water to train twice a week since March,” reveals Ronald Scholz, system integrator at Postbank Systems. “It not only increases individual fitness, it also brings the team together.” The commitment paid off. By the end of the regatta, the “Mousecatchers” had secured place nine in a field totalling 16 teams in their category. In one of the races the team even clocked up the second best time.

Of the 40 teams entered in the “Fun” category, the “BlackITs” achieved tenth place. The team consists exclusively of employees from Postbank Systems. “Even if we don’t train very intensively, we put our heart and soul into it,” says team member Ronald Scholz. “What’s important for us is above all the fun of racing and our team spirit because when we’re in the boat, we all pull together.” Both teams were able to improve their performance over the previous year.



Diversity, integration and appreciation



As a signatory of the UN Global Compact, Postbank has undertaken to promote human rights, adhere to international work standards and take a stance against any form of discrimination. In this regard, we see ourselves bound by the International Labour Organisation. We are convinced that diversity and equal treatment is indispensable for permanent business success. The member states of the United Nations have adopted 17 sustainability goals in order to achieve sustainable development, and Postbank contributes towards this aim in its area of responsibility.

Gender diversity management

Sociological studies have demonstrated that mixed working groups deliver better results than homogeneous teams. For Postbank, diverse composition of its working teams is therefore also a factor for its lasting success in the market. Postbank takes care to ensure diversity in the company when filling managerial positions. Giving appropriate consideration to women is a priority here. For this purpose, the Management Board launched the "Gender Diversity Management" project in 2011 to bring about a substantial increase in the quota of women in senior managerial positions. It was translated into a line function in 2013. In 2012 Postbank undertook to raise the proportion of women in senior managerial positions to 25 % by 2018.

The law governing the equal participation of women and men in managerial positions in the private economy and public services gave gender diversity management a legal basis in 2015. Since then, all units of the Postbank Group affected by the law are subject to gender-related target values that are to be reached by 30/06/2017: for all relevant supervisory boards, a target value of a 30% women's quota applies. The respective board committees are obligated to include at least one woman in their ranks by the end of the prescribed period. Furthermore, the affected units have agreed target values of between 20 % and 25 % for the two management levels below the Board. A report indicating the extent to which the target has been achieved is submitted to the Management Board every quarter.



charta der vielfalt

Diversity Charter

The "Diversity Charter" is a corporate initiative aiming to promote diversity in companies across Germany and which came into existence in 2006. The aim is to embed acknowledgement, appreciation and the inclusion of diversity in corporate culture. Postbank has been a member of the initiative since 2011. More than 2,400 companies have so far joined the initiative.

By signing the diversity charter, Postbank has undertaken to implement the charter's aims and create an open-minded work atmosphere where all employees with their differences and commonalities are welcomed and respected. Discrimination on the basis of gender, nationality, ethnic origin, religion, sexual orientation, age and disability is not tolerated.

Postbank also expects its business partners to take action against discrimination. This is documented in the Bank's Supplier Code of Conduct, which obligates partner enterprises to not tolerate child labour, forced labour, wage dumping and working conditions that are hazardous to health.

For more information, see section "Guiding principles".

Diversity Charter

G4-15



Gender diversity management

G4-DMA



Focus was given to the following fields of action in 2016:

- Proactive pursuit of gender goals for the companies of Postbank Group and all affiliated companies affected by the act governing the equal participation of women and men in managerial positions in the private economy and public services.
- Extension of the talent identification process through structured development meetings and "People Days" for all employees (including the identification and development of female high potentials).
- Objectification of the selection processes for "management level 3" to secure equal opportunities for female and male talents. A women's quota of 50 % is prescribed for the "long lists" for staffing at this level.
- Continuation of "talent brokerage", for example, to raise the visibility of female talents.
- Further development and expansion of gender-oriented training options, e. g. "effective presentation" and "career strategies for female managers" in the Managers' Curriculum.
- A special women's development programme.

Regenbogen Arbeit

The canteen at the Postbank site in Munich is operated by Regenbogen Arbeit gGmbH. The non-profit integration enterprise offers specially adapted workplaces to persons with mental disabilities and to the long-term unemployed with social problems. Owing to the positive experience made with Regenbogen Arbeit gGmbH we converted the initial fixed-term contract to a permanent contract at the beginning of 2016. The deciding factor was ultimately the high level of satisfaction with the quality of the canteen among employees.

Part of the team employed at the Postbank canteen in Munich are people with mental and physical disabilities as well as learning and visual impairments. An organisation adapted to the needs of the staff allows the challenging peak hours to be easily managed. The concept was tested in 2012 and has worked well ever since.



PB Women Connect – perfectly networked

PB Women Connect links almost 500 female Postbank employees with each other. The women's network promotes the professional exchange of ideas between committed female staff. The five initiators have achieved a great deal since launching the initiative in 2015.



The meeting of female Postbank employees at the end of February was their third since the PB Women Connect network was founded almost a year ago. The drivers are five women who came together on their own initiative in order to bring about change at Postbank. "Women aren't represented at all levels at Postbank and are therefore less well connected. We wanted to change this state of affairs and with our events promote the exchange of ideas and experience among women at Postbank across all departments," says Sandra Sievers, one of the co-founders. She and her colleagues want to bring up topics in the Bank with management that not only benefit women at Postbank but also its corporate culture. "Transparent staffing processes, part-time management positions, professional development after parental leave – there's a lot that we can do better," adds her colleague, Betina Bauer. "We're tackling issues that are of concern to female employees at Postbank."



From left to right:
Betina Bauer, Sandra Sievers,
Dr Anke Steenbock,
Susanne Regenstein,
Leonie Diestelhorst und
Angelika Neubauer

Around 70 women and one man: a somewhat unusual picture for Postbank. The only person in the room is Hanns-Peter Storr, the Chief Risk Officer (CRO). The PB Women Connect network invited him to speak at their annual kick-off meeting about his career, Postbank's independence within the Deutsche Bank Group and the "bank of the future".

Direct liaison with the senior management level is provided by Anke Steenbock, Head of Overall Bank Performance Management. She serves as sponsor for the network. The manager is inspired by the energy, openness and inquisitiveness of the participants. "This dialogue is important for young women in particular. They can meet role models at PB Women Connect", Steenbock says. "We need the potential that women offer." The network intends to draw attention to this potential. Almost 500 interested women have registered since the network was established in 2015. The founders are now working on an intelligent, technically driven network that is aimed at further improving the exchange of ideas. "We're persistent – in the interests of our female colleagues."

Society | *Postbank makes a commitment to the society in which it operates its business. Besides projects in education, the Bank supports social integration and provides assistance to refugees. It actively supports its employees in their voluntary work in the social field.*

Social commitment

For children and refugees

Postbank's commitment in providing assistance for children and refugees is divided into two main areas. First, we work together with "Save the Children", supporting the organisation in the form of a comprehensive educational project for children in Germany. Second, we promote the social commitment of our employees.

Postbank provides financial assistance and grants leave of absence for employees to develop projects for children in Germany, which they subsequently put into practice. Employee initiatives to aid refugees have been supported since 2015.



Wir für Kinder – the two pillars of our commitment





Save the Children

We for children – Education is the future

“Save the Children” is the largest independent children’s rights organisation in the world. The non-governmental organisation was founded by British teacher Eglantyne Jebb in 1919. It is politically and religiously independent and has campaigned for the rights of children in more than 120 countries for more than 90 years.

In 2013, Postbank joined up with “Save the Children” to launch the educational project “Wir für Kinder – Bildung ist Zukunft” (“We for children – Education is the future”) at German primary schools and child care centres. The project has the goal of improving educational opportunities for children in this age group over the long term. Parents are also involved in the project. Under professional guidance, families receive assistance in a playful way for a period of eight weeks. This improves communication within families, among friends and in the school environment. A positive culture of teaching and learning results in better educational opportunities for the children. Besides providing financial support for the project we also offer our employees the possibility to act as School Ambassadors. School Ambassadors support local activities, motivate their colleagues to also get involved and act as an interface between the “Save the Children” educational institution and Postbank.

The campaign days were established in 2014 as the second pillar of the “We for children” programme. Employees can participate by submitting a concrete project idea.

Following the launch of the “We for children” campaign days in September 2014, over 80 projects had been approved by the end of 2016.

Since September 2015, employees have also been able to organise campaign days that provide aid to refugees. The principle of the approach is similar to that of the “We for children” campaign days. They receive the same level of financial support from the Bank, and employees can take a day’s leave of absence from work. In addition, employees can present their own initiatives in an “aid exchange” specially set up for this purpose, start calls to action and find colleagues to get involved together with them.

[For more information, see section “Donations”.](#)

Team development through social commitment

Since 2015 Postbank has combined social commitment with the idea of team development. It has prepared a brochure for the purpose that is primarily directed at managers. Supervisors are encouraged to undertake social projects together with their staff and to grow together more closely as a team in the process.

The results show that social projects are well suited to promoting collaboration, team spirit and shared understanding. Projects for the benefit of children or refugees are supported.



[More information here](#)



Campaign days

With its campaign days, Postbank gives employees the opportunity to support institutions in their own environment in a voluntary capacity. Campaign days are funded by the Bank with grants of up to EUR 1,000 and commitment is promoted by up to one day’s leave of absence from work.

“Wir für Kinder” campaign days: Restoring a dragon’s castle

Thanks to Bastian Heinz and his team colleagues, the dragon’s castle climbing frame at the Drachenburg playground in Frankfurt once more gleams as new. They put a lot of effort into painting it and were rewarded with children’s smiling faces.

The noise of Frankfurt traffic can scarcely be heard on the Drachenburg playground. Trees with large crowns shield it from the city’s hustle and bustle and provide shade when the sun shines. However, it is not as idyllic as it seems in this location on Eschenheimer Anlage: Ten years ago the area was more of a toilet for dogs, and used syringes lay scattered around. This troubled the staff and parents at a nearby children’s day care centre so much that they lobbied for the construction of the Drachenburg, a climbing frame resembling a medieval castle. After nine years the paint had faded. Bastian Heinz, sales director for Postbank corporate customers in the West region, wanted to help and so organised what was his second “We for children” campaign day.

With financial support from Postbank and considerable craft skills, he and his colleagues gave the dragon’s castle a new colourful coat of paint. Before they could apply the new paint, they had to sand down the wooden façades. “We not only ensured that children again feel at home on the playground, we also contributed to improving the appearance of the city,” says Heinz. The Postbank employees received support from staff of the Discorso charity, which works together with the city’s Children’s Department and Parks Department to preserve and maintain 450 or so playgrounds in Frankfurt.

“We removed protruding screws to prevent children injuring themselves,” says Maja Langefeld from the corporate customer department, explaining a further task that she and her sales colleagues performed. Before the action, she did not know many of the Postbank employees with whom she worked on the playground. The campaign day was a great success not just for her. “With the odd private conversation we felt even more of a team, getting to know each other even better.”



“Wir für Kinder” campaign days: Regenerating the school pond

Children at the primary school in Eimbeckhausen are finally able to observe newts, pond skaters and snails in their school pond again. Tim Rehkopf regenerated the school pond with the help of his team, the Bad Münster local conservation group as well as pupils and parents.



Photo above: what the pond used to look like

Photos below: the successful result of the regeneration project



“Well, there are newts, pond skaters and loads of snails and small animals like that,” the children explain to their afternoon child carers as they hop around the school pond excitedly with rakes in their hands. “After 25 years, the pond had become neglected, full of rubbish and almost overgrown,” says head teacher Diana Rosenthal. The run-down pond was returned to its former state with the support of the local NABU conservation group and financial assistance from Postbank. A spring supplies the pond with fresh water that burbles over stones from one side. Once a week, the children clean the pond under the guidance of an educational member of the afternoon child care staff. And it is obviously great fun, if the cries of the children are anything to go by.

“We organise the “We for children” campaign days as we realised that although there are an awful lot of good ideas, the financial means to implement them are limited,” reports Tim Rehkopf, who himself was once a pupil at the primary school in Eimbeckhausen. For this reason, the equipment and other items used to regenerate the school pond were paid for out of the Bank’s “We for children” programme. Helpers from NABU, teaching staff, former pupils, friends of the school and Postbank employees worked for five days pruning trees, cutting branches, pumping out dirty water, and removing sludge, rubbish and old bottles. The town also donated a wire mesh fence to secure the new natural refuge.

The newly regenerated school pond is certain to become the focus of many a technical studies lesson in future. “Children can now investigate fish, amphibians and plants,” the teachers state enthusiastically.

“Wir für Kinder” campaign days – A new coat of paint for garden seating

You can still smell the new paint on the benches in the visitors’ garden at the children’s hospital – and also recognise them some way off by their vivid colours. In addition to painting the benches, Beate Reichold and her team also delighted the children with their high spirits and Star Wars-themed visit.

Beate Reichold and her colleagues renovated the garden seats in the visitors’ garden at the “Auf der Bult” children’s hospital in Hanover. The benches were spruced up and weatherproofed with the help of the young patients.

The Children’s and Young People’s Psychiatric Department at the “Auf der Bult” hospital cares for and treats children with mental disorders. When the weather is fine, the children can spend time in the visitors’ garden with their families. “Our two Postbank teams restored the garden benches, which had become a little decrepit over time, in order to give the garden an atmosphere more suited to children,” Reichold reports.

Beate Reichold’s team came together in Hanover at the end of 2016 to give the seats a colourful and weatherproof coat of paint. While some of the team went about dismantling and sanding down the wooden panels, others took to their brushes and applied bright blue, red and yellow paint to the wooden bars, some of which had already been primed. A few children from the hospital had great fun helping the Postbank employees with brush and paint. “Today is a very special day,” say Ms Schindling-Horny, who, as representative of the hospital’s managing committee, made sure the helpers had everything they needed. Besides the team of painters, a number of people dressed up as figures from Star Wars made the day a special occasion for the children. They produced a further surprise in the form of little presents.

By late afternoon, all the participants were able to lay down their brushes with a sense of great satisfaction: two teak benches with backrests and a wooden table shone in new splendour. “They brought so much vigour and momentum with them, got stuck in and got the result. Their high spirits were infectious and had a motivational effect on the patients and on us staff, too,” said Ms Schindling-Horny, thanking the participants at the end of the campaign day.



Refugee aid campaign days: Training equipment for the Basketball Leben e.V. club

Andreas Bogner distributes shirts and basketballs to refugee children. The children can take part in the weekly basketball training session as part of the scheme to breathe a little life into their monotonous routine and discover hidden talent.



Andreas Bogner works in corporate customer sales management in Munich/ Nuremberg and became aware of the charitable club Basketball Leben e.V. The project's aim is for refugee children from the housing centre in Landsberger Strasse in Munich to get to know the sport of basketball in a playful way. As there is no sports hall in the housing centre, the show has to take place in the building's sports basement. The first step was to organise a portable basketball hoop together with

some balls. The scheme proved so popular that 15 to 20 children soon came together for what is now twice-weekly basketball training. First, the kids are given a bit of variety to their often monotonous daily routine and, second, an attempt is made to integrate talented and motivated children into the club BC Hellenen. So far it has been possible to recruit three children who, either alone or with their parents, travel to Albrechtstrasse in Neuhausen two to three times a week to take part in normal training. Sport gives the children a new perspective and also the opportunity to integrate quickly in Germany. The financial support of Postbank means that all the basketball children in the housing centre have been given a shirt for training. What is more, it has been possible to purchase additional basketballs so that even more children will be able to participate in the training programme in future.



Trainees refugee aid campaign day: Team cooking as a building block for integration

Trainees at the Essen training centre who joined Postbank in 2014 organised a team cooking event together with the integration class at their vocational school. Despite the language barrier, the trainees had great fun with the refugees and professional chefs preparing and serving up four different dishes. Many hands – a quick end: cleaning up as a team went quickly.

After buying all the cooking ingredients, the participants gathered in the premises of the Robert Schumann Vocational School in the morning to attend an introduction about what they were about to do. The cooking students were taught how to use the working materials properly and also given instruction on safety precautions.

They then finally got around to cooking in small groups. The professional chefs were on hand with advice when discussing the recipes and patiently answered all the questions put to them. The division of work came about quite naturally when the participants set about preparing the ingredients. Despite the language barriers, nobody got in the way and cooking together was great fun for everyone involved.

In the end, four different dishes were served up and presented by the groups, and the dishes that they had cooked themselves were a culinary delight for everyone – several participants would have liked to have a second serving. Clearing up after the event was performed together with just as much gusto.

Cleaning up the room, and washing and drying the dishes – everything was done with teamwork. The trainees had a very special present right at the very end: depending on their native language, every refugee was given their own personal dictionary and lucky bag with a ruler and pencil sharpener.

Luceyn Sönmez, trainee sales representative at Postbank, is happy to have held the campaign day: “We’re really glad when we now not only see each other at school but also know that everyone is there to support the other.”

Refugee aid campaign days: All-round refurbishment of refugee accommodation in Essen

A sand pit full of toys for the children and a patio planted with flowers for the parents. The men demonstrated their muscle power planting trees and laying paving stones while the women assumed responsibility for the decorations. The commitment shown by Eva-Maria Wöhlers and her team in the refugee housing centre was a complete success.

Eva-Maria Wöhler’s team from the Betriebs-Center für Banker in Essen spruced up refugee accommodation for families in Essen over a period of two days. The motto for the team-building measure was “A win for everyone” and “Let’s do something good”.

Toys, children’s clothing, bed linen and other material donations were provided by a large number of colleagues. The hard-working helpers loaded everything up and set out for the housing centre. In agreement with the facility’s management, the helpers focused on making the outdoor area better suited to children and improving the building’s appearance.

The day kicked off with an overhaul of the two sand pits. The dirty sand had to be removed and replaced with new sand, and the frames given special protection with weather-resistant gel. Since the donations included a large



number of toys for playing in sand, the children were able to inaugurate the sand pits straight away. In addition, a large plastic clam that the team had brought along was filled with water and brought even greater enjoyment for the children.

After Postbank employees had cleaned the patio and planted up the flower tubs there with the help of women from the housing facility, children with watering cans watered the plants. In the meantime, male colleagues assembled the tables and benches that they had brought with them. Two fruit trees that were planted in the meadow are expected to start bearing fruit in two years.

Attaching the bike racks to the wall of the house proved to be a major challenge, as care needs to be taken with measuring, drilling holes and inserting the dowels. But even that was accomplished successfully, and it was possible to use the bike locks that had been brought along immediately.

It was the team leaders’ turn on the second campaign day. They focused on improving the exterior of the house. Furthermore, the paved path leading up to the building had to be made passable – and this required a lot of hard work. The men from the housing facility also helped out and, after a lot of sweat and also great fun, the objective was achieved.

By the end of the campaign day the helpers and the children had decorated a large white wall with the words “We are all children of this world” together with numerous figures and a picture of the planet. The children contributed hands made of plaster that they had made and painted themselves while the Postbank employees had been busy with their brushes.

“All in all it was a very successful measure. We all got to know each other in a different way than at work. The day also gave us a different view of the situation of refugees. We formed a very big team with the residents, and the different languages were not a handicap,” says Eva-Maria Wöhler enthusiastically.

Education



Group Ambassador programme

The Group Ambassador programme was set up in 2009. Specialists and managers from the Postbank Group pass on their practical knowledge and experience to students from selected universities in guest lectures, informal evening discussions and through supporting case studies.

Postbank maintains cooperation with various institutions and is constantly expanding its network. Since the start of the programme, Postbank has entered into partnerships with over 25 universities in Germany.

Individual support for talented students

Students with outstanding achievements are rewarded and receive support from Postbank. In this context, the bank supports foundations, student organisations and professorships both financially as well as in non-material ways. The Bank grants a total of 18 North Rhine-Westphalia (NRW)/Germany scholarships to talented students at the University of Bonn and at Bonn-Rhein-Sieg University of Applied Sciences. Besides financial support, scholarship students are given the opportunity to attend events for personality development, for assistance with starting their career with a company, for effective goal attainment and for career advice. A regular get-together assists scholarship students in developing their professional and social network.

Postbank also supports the following foundations, organisations and professorships:

- NRW/Germany scholarships (since 2009)
- University of Bonn
- Weserbergland University of Applied Sciences
- Fresenius University of Applied Sciences (premium partner since 2009)

Postbank is a signatory of the “Bachelor Welcome” declaration.

Donations

Cooperation with “Save the Children”

Postbank wishes to improve the educational opportunities for children in Germany through its cooperation with “Save the Children”.

The following fund-raising campaigns were implemented for the benefit of “Save the Children” in 2016:

- Sale of children’s educational books with a donation share in Postbank Finance Centres, donation sum: EUR 80,000.
- Employees “run for a good purpose” – fund-raising runs at Postbank Immobilien GmbH, donation sum: approx. EUR 8,000.
- Donation by Postbank in connection with sending Christmas cards to business partners: approx. EUR 4,000.
- Additional donations through special activities on the part of Postbank: approx. EUR 20,000.
- Postbank VISA Card for employees: For each euro transacted with the Postbank “Save the Children” Visa Card, Postbank donates one cent to “Save the Children”. A donation totalling almost EUR 38,000 was collected in this way.

Postbank has set up donation boxes in its branches. More than EUR 140,000 could be collected for the benefit of “Save the Children” in 2016 with these alone.

You can find more information about “Save the Children” and the campaign days in section “Social commitment”.

Christmas tree wish list campaign

The Christmas tree wish list campaign generated donations of more than EUR 17,800 in 2016. The total was made up of approximately EUR 6,400 in donations from employees, which Postbank doubled, and a donation from Postbank’s partner Western Union of more than EUR 5,000. The donation went towards supporting Save the Children refugee relief work in Syria in 2016.



Trainees hanging up wish lists for “Save the Children” on a Christmas tree.
The campaign is a part of their training in the area of social skills and responsibility.

RTF fund-raising marathon

Postbank took part in the RTF fund-raising marathon and the associated 24-hour Bike Challenge with Joey Kelly and donated a total of EUR 28,000 to the RTL foundation "Wir helfen Kindern e. V."

"Wir für Kinder" campaign days

The Bank also supports its employees' campaigns financially – in addition to granting leave to participating employees – with up to EUR 1,000 per project. In this way, approx. EUR 50,000 was raised in 2016.

You can find more information about the campaign days in section "Social commitment".

Sale of UNICEF greeting cards

UNICEF greeting cards are sold on a non-profit basis in the pre-Christmas season in Postbank and Deutsche Post branches. In 2016, a total of 22,000 sets of cards were sold, generating sales of EUR 337,000 with a donation share of EUR 283,000. In the ten years since the campaign began in 2007, total donations of around EUR 4 million have been collected.



Bälle für Deutschland (Footballs for Germany)

Soccer promotes communication between people of different backgrounds, skin colour and religion. Postbank wants to support this cause and therefore raffles off footballs to sports clubs, schools and child care centres each month. The number of balls in the draw at the end of the month depends on the number of goals scored in the top flight of the Bundesliga. Postbank doubles this number, rounds it up and holds a draw for this total of Postbank footballs in sets of 10 for distribution to the winning entries.

Clubs, schools, child care centres and other institutions in need of footballs can enter the raffle in the "Postbank Fankurve" ("Postbank Fan Block") on Facebook. A total of almost 9,000 balls have been distributed since the campaign was launched in January 2012.

Postbank also supports the foundation of its partner Borussia Mönchengladbach in promoting sport-related social measures aimed at integrating young people into society. Together with the Borussia Foundation and the city of Mönchengladbach, it has been possible to open three artificial turf football pitches each of around 600 sqm at selected locations in Mönchengladbach.

[More information here](#)



The opening of an artificial turf pitch in Mönchengladbach

Ecological sustainability



Environmental management system | *Postbank lowers the negative environmental effects arising from its business activities and supports its customers and employees with environmentally friendly products and services. It promotes the conservation of natural resources. It uses a certified environmental management system to reduce ecological risks and to exploit opportunities. In this way, it wishes to make its contribution towards ensuring that the goals set at the World Climate Summit in Paris 2015 are implemented.*

Environmental guidelines

Postbank introduced its environmental management system in 2008. It is based on environmental guidelines that apply throughout the Group with six fundamental principles specifying organisational requirements with regard to ecological responsibility. These principles are binding on all employees and they are taken into consideration for all business policy decisions.

Between 2012 and 2015, Postbank expanded its environmental management system step by step into a comprehensive sustainability management system that covers the sustainability of its core business as well as our social commitment. This process was completed in 2015. In this context, we integrated our environmental guidelines into the Group policy "Principles of Business Responsibility" adopted in 2014.

For more information, see section "Guiding principles".

The Bank's sustainability strategy is specified in comprehensive sustainability targets that are published annually in a corporate responsibility programme. We also use this to report on the goals we have achieved, the goals that are still in being worked on and the goals that we have not been able to achieve.

For more information, see section "Corporate responsibility programme".

We implement the goals of our environmental guidelines in accordance with the principle of continuous improvement: "Plan, Do, Check, Act".

- In the first step, "plan", Postbank specifies ecological and sustainable goals and measures as set down in the context of the corporate responsibility programme (cf. section "Corporate responsibility programme").
- Implementation of the agreed goals occurs in the second step – "do".
- In the next step, "check", compliance with self-imposed and statutory rules is verified by Postbank's Environment Officers and by means of regular internal and external audits.
- In the final step – "act" – a check is performed on whether further opportunities for improvement in company processes can be realised.



In order to establish a continuous improvement process in the environmental management system, the loop then starts again from the beginning.

Environmental guidelines

G4-DMA



Environmental guidelines of Deutsche Postbank AG



Certification to ISO 14001



The Bank has itself audited by an independent certification institute at regular intervals in order to monitor and assure the quality of its environmental management system. Certification ensures that Postbank complies with standards, regulations and specifications according to ISO 14001. In January 2015, Postbank's environmental management system was once again audited and certified according to the international standard ISO 14001. The certificate is valid for three years and has to be confirmed each year in a monitoring audit. The last monitoring audit was performed in December 2016. DNV GL Business Assurance Zertifizierung und Umweltgutachter GmbH confirmed again that Postbank's environmental management system meets the requirements of the standard.

The ISO 14001 standard defines a number of requirements for a functioning environmental management system. They include, for example, compliance with legal regulations, documentation, implementation and maintenance of environment-related objectives and awareness-raising among employees.

Postbank conducts its own so-called internal audits of its divisions and large sites to monitor compliance with environment-related requirements. These audits are performed by Postbank's own specially trained internal auditors. The quality and performance level of the divisions and sites has been raised considerably thanks to these internal audits. The positive results motivate us to maintain our efforts in striving for an environment fit for living in.

Energy management system to ISO 50001



Our energy management system helps us to improve the energy efficiency of our buildings. Cost reductions are an important and welcome side effect."

Zvezdana Seeger, General Representative IT and Operations

In 2016, Postbank extended its environmental management system to include an energy management system certified to ISO 50001. With its help, the Banks expects to systematically reduce its energy consumption by 2020. It has approved investment of around EUR 250,000 for this purpose. When finally completed, it is intended to save around 2,200 megawatt hours of electricity and heating energy a year. According to current plans, the investment costs will be more than made up for in the medium term though energy savings. The focus of the investments is on the sites in Essen and Frankfurt and the data centre in Bonn.

Energy management system
to ISO 50001



Energy and environmental goals | *Each year Postbank sets itself concrete targets for environmental and climate protection. They are an integral part of the Bank's corporate responsibility programme. The targets are underpinned by concrete measures and are published in the sustainability report. Open communication of the achieved results provides transparency and promotes the continuous optimisation of responsible action.*

Postbank has adopted the goals of the World Climate Summit of 2015 in their entirety. It has undertaken to outperform Germany's reduction target for greenhouse gasses within its area of responsibility: by 2020, Postbank intends to lower greenhouse gas emissions by significantly more than 40 % compared to 2007. This medium-term goal is accompanied by numerous short-term targets and measures that are published and monitored as environmental targets in Postbank's corporate responsibility programme.

Comments regarding ecological goals and indicators 2016

Up to and including 2012, Postbank published a separate environmental programme listing its environmental goals and measures. In the course of the development of sustainability, the environmental programme was replaced by the comprehensive corporate responsibility programme for the first time in 2013. It is divided into the three pillars of "sustainability in the banking business", "social sustainability" and "ecological sustainability". This report lists the environmental goals in the corporate responsibility programme discussed under "Ecological sustainability". It indicates the status of implementation at 31/12/2016 for each measure.

For more information, see section "Corporate responsibility programme"

The ecological targets of the 2016 corporate responsibility programme were largely achieved:

Environmental management and controlling

The development of an energy management system certified to ISO 50001 was concluded.

Postbank has adopted medium-term goals aimed at reducing its energy consumption. Numerous measures aimed at improving business ecology are underpinned by short-term objectives.

The measures planned up to the end of 2017, namely "Demerging of data processing from the Deutsche Bank Group" and "Development of independent CO₂ accounting" will not be pursued further. They are no longer necessary following the decision to integrate Postbank back into the Deutsche Bank Group.

Commitment and awareness

In 2016, Postbank's Bonn site took part for a third time in the "Stadtradeln" (City Cycling) campaign aiming to promote the bicycle as an environmentally friendly means of transport.

Postbank, represented by its major sites in Hameln and Frankfurt am Main, participated in the "Earth Hour" 2016 of the WWF. Municipalities, businesses and citizens use the Earth Hour to set a sign each year in support of climate protection by jointly switching off their lights for one hour.

Energy and environmental goals

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Comments regarding ecological goals and indicators 2016

G4-EN3



G4-EN8



G4-EN19



CO₂ emissions

Greenhouse gas emissions per employee fell by 12 % to 1.85 tonnes per full-time equivalent compared to the previous year. The sharp decline can be explained by the fact that the share of electricity from renewable sources increased significantly once more in 2016. It now accounts for 97 % of total electricity consumption. Greenhouse gas emissions were calculated according to the “market-based” method for the first time.

For more information, see section “Environmental impact summary”.

the potential of energy saving using modern building technology has now been largely exhausted. It is becoming increasingly difficult to define efficiency measures that pay for themselves within a reasonable period. We are nevertheless confident of being able to achieve our energy targets for 2020 with the help of the new energy management system.

6,300 workplace PCs were replaced by thin clients by the end of 2016. Based on the experience of 2016, this measure has been modified: remaining PCs will not be replaced until the devices have reached the end of their life cycle. This will improve cost effectiveness.

The following measures have been modified compared with the Corporate Responsibility Programme 2015: the replacement of windows at the Frankfurt am Main site planned for 2016 has been postponed to 2017. The additional video conference rooms planned in Bonn for 2016 are being replaced with workplace communication software, enabling video conferences to be realised more simply and at lower cost. The upgrade of ventilation equipment in Bonn and the replacement of refrigeration equipment in the canteen in Munich were not performed. The potential savings did not justify the cost in either case.



Energy consumption

Following a decline in the previous year, energy consumption per employee increased again in 2016 by 4 % to 12,131 kWh per full-time equivalent. However, with regard to heating energy it should be noted that 2015 was unusually warm in a long-term comparison, while 2016 was nearer to average temperatures. The increase in energy consumption per employee was below 3 % when the figures are adjusted for this effect. The fluctuations in energy consumption seen in recent years demonstrate that

Mobility

The number of kilometres travelled once again decreased compared with the previous year. Overall, employees travelled 100,000 km less than in 2015.

Employees covered a total of 9.8 million km by train in 2016, about the same amount as in the previous year. Long distance rail journeys are CO₂-neutral. Greenhouse gas emissions for local rail journeys have been included in the environmental impact summary.

The number of kilometres travelled by plane in 2016 fell by 4 % to 5.2 million km. The reduction per employee (full-time equivalent) was 3 %.

The number of kilometres travelled by car once again decreased compared with the previous year, whereas the distance covered by rented vehicles and taxis increased slightly.

Waste/resource consumption

Waste produced per employee (full-time equivalent) increased by 9 % to 393 kg in 2016. At the same time, the proportion of waste going to recycling increased by 2 %. Following a fall in the recycling quota in the previous year, we instructed cleaning staff and employees to take greater care with waste separation during waste disposal.

The consumption of printing and copying paper per employee decreased slightly again. At 806 tonnes, it was 1 % below the level of the previous year. Only paper from certified sustainable forestry and recycled paper are used in the Postbank Group.

The use of recycled paper grew by 2 %. This resulted in a 3 % improvement in the recycling quota. The reasons for this are incentives to use recycled paper in the central sites in Bonn and Hameln introduced in autumn 2016. Raising the recycling quota remains a goal for the coming years. In addition to the incentives to use recycled paper now introduced, we also use staff media in order to promote the use of recycled paper.



The consumption of drinking water per employee (full-time equivalent) increased by 13 % to 20 m³ after falling sharply in the previous year. It must be noted that drinking water is used at a number of sites for cooling purposes. This resulted in considerable weather-related fluctuations in the consumption of drinking water.



Waste separation at the Hamburg site

Energy savings contracting | *Energy savings contracting helps Postbank reduce its consumption of electricity and heating energy for the long term. Reduced energy costs also improve cost efficiency at the same time. The environment benefits from lower consumption of natural resources and reduced emission of greenhouse gases.*

Energy-efficient refrigeration unit for the Essen site. It was installed as part of the energy savings contracting scheme.



The energy savings partnership between SPIE Energy Solutions and Postbank was launched in 2009. As a first step, the energy optimisation experts of SPIE studied more than 20 Postbank buildings nationwide for potential energy savings. Energy performance certificates were prepared for the buildings. Energy reductions resulting from energy savings contracts were achieved in the areas of lighting, hot water generation, combined heat and power generation as well as from the modernisation of windows and cooling equipment. Improvements were also achieved in terms of drinking water use in Karlsruhe and Leipzig as well as in the district cooling supply in Hamburg.

In 2016 we successfully completed a comprehensive energy efficiency programme at the Essen site. The lighting for the advertising sign on the roof was switched to LED technology. Efficient T5 fluorescent tubes (some controlled by sensors) were installed in offices, and old cooling equipment was replaced by modern units. The flat-roofed building was thermally insulated from the inside. The sanitary facilities at head office in Bonn were optimised in 2016. The lighting was converted to LED technology and water flow control was converted to contactless sensors.

SPIE Energy Solutions GmbH received the European Energy Service Award in 2015 for the lighting concept realised by SPIE for Postbank. Since 2005, the award has been presented to businesses whose services ensure greater energy efficiency in Europe. SPIE implemented a customised package of measures for each site covering all the required types of lighting. In combination with an intelligent control system, this allowed the highest possible savings potential to be achieved for each building. In all, Postbank saves about EUR 330,000 in energy costs per year and avoids 1,100 tonnes of carbon dioxide as a result of the programme.

To date, the major sites in Bonn, Munich, Leipzig, Hamburg, Karlsruhe, Essen, Frankfurt, Ludwigshafen, Hameln and Dortmund have been optimised as a result of the energy-saving agreements. So far a total of more than 20,000 MWh has been saved per year.

Supply contracts have been concluded for the sites in Munich, Bonn and Dortmund as well. SPIE supplies cooling in Munich to the Postbank site in Bayerstrasse and heat to the Kennedyallee premises in Bonn. Dortmund has been supplied with cooling by SPIE since 2013. In all cases, the energy generation systems were improved before SPIE began supply, meaning that resources are not only supplied on more favourable commercial conditions but also that additional energy and CO₂ savings are achieved.



Green IT | *Postbank lowers its energy consumption by means of intelligent server architectures, energy efficient hardware and new network technologies. Its computing centres meet the highest ecological standards. It applies consistent life cycle management for its computers and storage systems. It reduces travelling through the use of digital media such as video conferencing and Internet communication.*



Green computing centres

In 2016 we began to reduce the number of production computing centres from four to two. The two remaining computing centres are operated on the principle of co-location – only the hardware itself comes from Postbank. The entire building infrastructure, in particular the energy-intensive areas of cooling, ventilation, lighting and uninterruptible power supply are operated by third-party providers specialising in energy efficiency. Both operators are members of the international “Green Grid Association”, use state-of-the-art measurement and control technology and work continuously to improve the resource efficiency of their systems. One of the computing centres is already operated using electricity from renewable sources.

Virtualisation of workstation computers

In 2015 Postbank launched an extensive project to “virtualise” a large proportion of its workplace PCs. In a virtual environment, end devices (“thin clients”) receive applications and data, as well as the operating system and user-specific settings from central servers. The thin client merely controls the data transfer between the servers and the input and output devices like the monitor, keyboard and mouse. By the end of 2016 we had already replaced 6,300 LAN workstations with thin clients. Almost 8,600 LAN PCs have been initially configured to run as thin clients.

We will gradually replace them with new equipment when they reach the end of their life cycle.

Because of the reduced hardware requirements, the purchasing costs, consumption of natural resources and, above all, energy consumption are lowered. The new Postbank workplace environment consumes around 80 % less electricity than the PCs used so far. This will allow us to save 3,000 MWh of energy a year after the completion of the project.

Socio-ecological reconditioning

Postbank Systems AG cooperates with AfB gemeinnützige GmbH on the disposal of decommissioned hardware. AfB is an IT service provider with more than 250 employees at 17 sites in Europe. Almost half of the positions are filled by people with disabilities. The certified company specialises in deleting and reconditioning IT hardware and returning it to the cycle of use. At the beginning of 2017, AfB took over 168 notebooks from Postbank. We were unable to offer any equipment suitable for reconditioning in 2016. However, Postbank did make a direct donation of 98 IT devices to charitable organisations such as schools and child care centres in 2016.

Video conferencing and mobile working

Video conferencing allows the Bank to cut a share of its business travel, not only reducing CO₂ emissions but also avoiding unproductive travel time. Video conference rooms are increasingly being supplanted by communication software that permits video conferencing from the workplace. It does away with the need for the installation of sophisticated video conferencing systems. In 2016 we did not set up any further video conference rooms for the first time – instead we invested in communication software at the workplace.

Postbank extended the possibility of mobile working to additional Group companies in 2016. Employees can perform up to 20 % of their regular working hours at home or on the road. This makes it easier to reconcile family and career, and also e.g. support for family members in need of care. At the same time, commuter traffic is reduced and greenhouse gases lowered. The concept has proven so successful that it is to be rolled out throughout the entire Group in 2017.

Resource efficiency in the office

Our printers are configured in such a way that duplex printing is the default setting. Most devices are able to scan, which allows documents to be digitised in a few simple steps and subsequently processed without paper. At Postbank, only printers participating in a recycling system for toner cartridges are used. Used cartridges are returned in their original packaging to the manufacturer, where they are reconditioned. Through the modernisation and networking of the printer fleet, the number of printers in use at Postbank has been lowered to half as many compared to the beginning of 2013.

We wish to further lower the consumption of printer and copier paper. Besides digitising documents for paperless processing, the use of tablet PCs, on which specialists, managers and sales staff can retrieve their documents in digital form at any time, assists this aim. Nevertheless, we intend to increase the share of recycled paper where printing documents is unavoidable. In 2016 we set up an incentive system at the two central sites in Bonn and Hameln that prioritises the use of recycled paper.

Digitisation instead of paper at BHW Bausparkasse

Employees at BHW Bausparkasse, BHW Kreditservice and Postbank have digitised the processing of forms. This not only makes service processes faster, it also requires virtually no paper. The team responsible was presented with the Postbank Award 2016 in the “Efficiency” category.



The project team responsible for digitising paper processes – winners of the Postbank Award in the “Efficiency” category

Up to 40,000 documents, many of them forms, are processed at BHW Bausparkasse in Hameln every day. Lengthy processes and high costs were a part of everyday life. But that’s a thing of the past. “One form for all – and all for one form” is the new motto. The prizewinners succeeded in completely revolutionising the different existing forms, raising the quality and efficiency of the entire process chain.

Forms are generated in a standardised way and, thanks to QR codes and data matrices, can be digitised when the business transaction is concluded. Processing procedures that used to take several months have been cut to just a few days. The experience gathered in this project is also being applied to other areas of the Bank. This is a big step on the path towards the paperless office.

Energy management

Only one-third of the energy consumed in the computing centres is used directly by the computers and their peripheral systems. Two-thirds of the power is consumed by the computing centre infrastructure, in particular the cooling systems. Postbank therefore manages energy consumption in its computing centres in Bonn holistically and integrates the infrastructure into this concept. In 2016 we were able to lower electricity consumption by about 16 % as a result of a systematic adjustment of the cooling temperature.

The continuous replacement of old hardware with high energy consumption for more efficient and energy-saving systems plays a central role. Postbank uses active life cycle management to continuously raise the level of efficiency of its infrastructure. The currently newly used virtual application servers, for example, consume about 80 % less energy than their predecessors. Even more drastic is the reduction among storage media. The storage systems that are currently being installed by Postbank need only 10 % of the energy that used to be consumed by the old systems. We have set ourselves ambitious targets for 2017.

For more information, see section "Corporate responsibility programme"

Efficient emergency power supply

The emergency power generators in the Bonn computing centre are subjected to a test run each month to ensure that they will start up reliably if the external electricity supply goes down. While the energy generated in the process used to be dissipated as heat in the past, it has been possible since 2013 to use this energy for the internal power supply. Each year this amounts to 9,000 kWh. In total, this is equivalent to the annual electricity requirement of two three-person single-family homes.

Environmental partnership Hamburg

Postbank at the Hamburg site is one of the city's environmental partners. The environmental partners undertake to contribute towards an environmentally friendly community through continuous improvements to their environmental performance. In order to maintain the partnership, the city regularly requests its environmental partners to report on the progress of their environmental protection measures. In 2016 Postbank presented its projects for virtualising workplace PCs and for placing its office printers on an ecological footing, thus extending the environmental partnership through to October 2021.



Environmental impact summary | *Postbank calculates its CO₂ emissions diligently using a broad data pool. It uses the results of environmental controlling to formulate its ecological goals. Based on the acquired data, it takes decisions on measures aimed at reducing ecological risks and exploiting opportunities.*

Data pool

Postbank assesses the consumption data of all buildings it uses and its business trips by means of calculated or metered data – wherever such is available. As a result, it has been possible in this report to calculate 83 % of 2016 greenhouse gas emissions (GHG emissions) based on consumption data. Where consumption data is not available, consumption was estimated using comparable levels of electricity, heating and cooling.

The consumption data of the buildings, including data relating to business trips, figures into the environmental impact summary of the Deutsche Bank Group. The plausibility of the underlying processes of data capture and data aggregation is verified in accordance with the standards of ISO 14064. The tabular presentation is consistent with the system applied at the Deutsche Bank Group.

From 1 April 2014 to 31 December 2015, Postbank's service companies were temporarily conglomerated in a holding of the Deutsche Bank Group in which Postbank had voting rights for 50 % of the shares minus one vote. Since 1 January 2016, these companies have again been integrated in the Postbank Group. The resource consumption of its employees was fully included in the 2014 and 2015 environmental impact summaries. This makes it easier to compare environmental data from 2014 and 2015 with those of previous and coming years.

Calculation methodology

The greenhouse gas reporting limits are defined according to the approach of the operational control as set forth in the GHG Protocol, while they extend to business operations and sites where Postbank employees hold management positions in the company and where the operational processes of Postbank are implemented within the unit. Scope 1 greenhouse gas emissions include the combustion of fossil energy sources, the company's own or leased vehicles and coolant losses from cooling systems. Scope 2 covers indirect emissions from purchased energy, thus for example, electricity and district heating and cooling. Scope 3 data originate from indirect GHG emissions, e. g. from business travel where the emission sources are monitored by third parties (plane, rail, rental car).

Postbank reports GHG emissions in accordance with the GHG Protocol "Scope 2 Guidance: an amendment to the Corporate Standard" published in January 2015. In accordance with the new requirements for dual reporting, the table "Environmental impact summary of Postbank" below shows GHG emissions according to the "market-based" approach as well as according to the "local" approach. The market-based approach calculates GHG emissions on the basis of the actual emissions of such energy sources from which Postbank obtains its energy – backed up by certificates of origin.

The local approach calculates GHG emissions on the basis of average emission factors for certain geographic regions and activity data. The difference between the two values at Postbank results from the fact that it

Environmental impact summary

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Data pool

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Calculation methodology

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obtains nearly 97 % of its electricity from renewable sources. GHG emissions of CO₂ calculated by the market-based approach are therefore 48,249 tonnes lower than those calculated according to the local approach.

All assumptions made and calculation methods used are in accordance with the standard ISO 14064 and the supplementary documentation. The relevant activity data are assigned the most appropriate emission factors. They originate from internationally recognised sources such as DEFRA (2015 and 2016), the GHG Protocol and IEA (2015), or from country or contract-specific sources if these are more accurate. Wherever possible, the factors include all GHGs as well as the “global warming potential” of the gases in accordance with IPCC assessments.

- **Electricity/heating/drinking water/coolants**

The data are determined using consumption calculations or meter readings. Where this is not possible, the values are extrapolated on the basis of comparable buildings.

- **Waste**

The data on waste is assessed for more than half of all employees based on information from disposal companies or on the containers used and their disposal frequency. The data is then extrapolated to the total number of employees.

- **Paper**

The volume of copying and printing paper purchased by the Postbank Group in Germany is reported.

- **Business travel**

CO₂ emissions for company cars are calculated on the basis of the mileage of and the amount of fuel consumed by the vehicles in the Postbank Group's fleet (based on fuel card statements).

CO₂ emissions for rental vehicles are determined on the basis of the data supplied by the rental car companies.

With rail travel, CO₂ emissions are only reported for local trips as all tickets of the Group for long-distance rail travel are CO₂-free.

With air travel, CO₂ emissions are determined based on mileage – with differentiation between short, medium and long-distance flights. The data on travel by plane are provided by the responsible travel agencies.



Internal audit of the Essen site
in October 2016

City cycling at the Bonn site in May 2016



Comparability with previous years

The following adjustments were made with regard to the figures reported in the previous year. The main reasons for this are the changed electricity grid factors, update of energy data if such was not yet available at the reporting date for the previous year, changed calculation assumptions, and modifications to the projection method.

Comparability with previous years

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Postbank's environmental impact summary

Environmental data ¹		2016	2015	2014
Greenhouse gas (GHG) emissions in tonnes of CO ₂ equivalent (CO ₂ e) (unless otherwise indicated)	Differences compared to the previous year			
Total market-based GHG emissions^{2, 3, 4}	-14 %	34,183	39,534	41,732
Market-based emissions from energy use for buildings ⁵	-14 %	28,120	32,555	34,242
Emissions from business travel	-14 %	5,803	6,713	7,257
<i>Market-based GHG emissions (including renewable energy) per sqm of rented floor space</i>	-13 %	<i>0.0259</i>	<i>0.0297</i>	<i>0.0313</i>
<i>Market-based GHG emissions (including renewable energy) per employee (full-time equivalent)</i>	-12 %	<i>1.85</i>	<i>2.11</i>	<i>2.22</i>
Scope 1: direct GHG emissions	-7 %	12,509.14	13,513.79	13,709.87
From natural gas consumption	0 %	6,802.63	6,826.60	6,531.14
From liquid fossil energy sources ⁶	-12 %	571.77	647.91	718.52
From HFC	-2 %	259.45	266.05	232.97
From own or leased vehicles	-16 %	4,875.29	5,773.23	6,227.24
Scope 2: indirect GHG emissions	-17 %	20,745.21	25,080.37	26,991.88
Market-based emissions from electricity consumption	-68 %	2,395	7,573	9,465
From steam generation, district heating and cooling	5 %	18,350.44	17,507.38	17,526.45
Scope 3: other indirect GHG emissions	-1 %	928.27	940.18	1,030.49
From air travel	-5 %	509.50	536.28	527.96
From rental cars and taxi journeys	6 %	343.47	322.94	340.01
From rail travel ⁷	-7 %	75.30	80.96	162.52
For comparison: Total local GHG emissions ²	1 %	82,432	81,343	83,529
Energy consumption (total) in GJ⁸	3 %	808,377.90	788,186.85	798,092.56
Energy consumption (total) in GWh⁸	3 %	225	219	222
<i>Energy consumption in kWh pro m²</i>	3 %	<i>170</i>	<i>165</i>	<i>166</i>
<i>Energy consumption in kWh per employee (full-time equivalent)</i>	4 %	<i>12,131</i>	<i>11,671</i>	<i>11,812</i>
Energy consumption (total) in GWh	2 %	105	102	106
Energy from primary fuel sources (oil, gas etc.) in GWh	-1 %	36	36	35
Heating and cooling provided in GWh	4 %	84	81	81
Electricity from renewable energy in GWh	11 %	102	92	93
Travel in km	0 %	48,266,673	48,379,774	51,676,693
Air travel (total) in km	-4 %	5,215,264	5,454,188	5,370,382
Short-haul flights	-4 %	2,106,177	2,182,909	2,098,468
Medium-haul flights	1 %	2,829,889	2,797,758	2,837,626
Long-haul flights	-41 %	279,199	473,521	434,288
<i>Air travel per employee (full-time equivalent) in km</i>	-3 %	<i>282</i>	<i>291</i>	<i>286</i>
Rail travel (total) in km	0 %	9,777,992	9,775,121	10,843,205
Road traffic (total) in km	0 %	33,273,417	33,150,465	35,463,106
<i>Journeys per employee (full-time equivalent)</i>	1 %	<i>2,608</i>	<i>2,579</i>	<i>2,753</i>
Waste and paper				
Waste in t⁹				
Waste generated in t	8 %	7,273.94	6,757.35	6,394.34
<i>Waste generated in t per employee (full-time equivalent)</i>	9 %	<i>0.39</i>	<i>0.36</i>	<i>0.34</i>
Waste disposed in t	7 %	4,904.39	4,593.01	4,172.36
<i>Waste disposed of in t per employee (full-time equivalent)</i>	8 %	<i>0.26</i>	<i>0.24</i>	<i>0.22</i>
Waste recycled in t	9 %	2,369.55	2,164.34	2,221.98
<i>Waste recycled in t per employee (full-time equivalent)</i>	11 %	<i>0.13</i>	<i>0.12</i>	<i>0.12</i>
Proportion of recycled waste in %	2 %	33 %	32 %	35 %

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Postbank's environmental impact summary



	Differences compared to the previous year	2016	2015	2014
Compostable waste in t	20 %	160.88	133.79	86.17
Waste with energy recovery in t	4 %	3,247.13	3,116.43	2,889.86
Waste combustion without energy recovery in t	11 %	1,496.38	1,342.79	1,196.34
Hazardous waste in t	-64 %	21.18	59.40	28.06
Non-hazardous waste in t	8 %	7,252.75	6,697.95	6,366.29
Paper consumption in t				
Consumption of copier and printer paper in t	-1 %	805.76	816.68	856.69
Recycled paper in t	2 %	17.56	17.21	18.56
Percentage of recycled material	3 %	2 %	2 %	2 %
Paper consumption in kg per employee (full-time equivalent)	0 %	3.63	3.63	3.81
Water consumption¹⁰				
Drinking water consumption ¹⁰ in m ³	11 %	365,203	328,356	335,397
Drinking water consumption in m ³ per employee (full-time equivalent)	13 %	20	18	18
Drinking water consumption in m ³ pro square metre rental floor space	12 %	0.28	0.25	0.25
Reference values				
Average total rental floor space in m ²	-1 %	1,320,794	1,329,899	1,333,340
Average number of employees (full-time equivalent) ¹¹	-1 %	18,511	18,760	18,768

1) All data for 2016 reported in the status as available on the reporting date. Some of the data have been extrapolated based on the previous year. Changes to the reported figures in the past year resulted primarily from:

- changed electricity grid factors,
- updated energy data if not available as at last year's reporting date,
- changed calculation assumptions,
- modifications to the projection method

2) The GHG reporting limits are defined according to the approach of the operative control as set forth in the GHG Protocol, while they extend to business operations and sites where Postbank employees hold management positions in the company and where the operative processes of Postbank are implemented within the unit. Scope 1 greenhouse gas emissions include the combustion of fossil energy sources, the company's own or leased vehicles and coolant losses from cooling systems. Scope 2 includes supplied energy such as electricity and district heat. Scope 3 data originates from indirect GHG emissions from business travel, e.g. where the emission sources are monitored by third parties (plane, railway, rental car). Postbank reports GHG emissions in accordance with the GHG Protocol "Scope 2 Guidance: an amendment to the Corporate Standard" published in January 2015. In accordance with the requirements for dual reporting, the table shows GHG emissions according to the market-based approach using provider-specific emission factors with certificate of origin. Total emissions of Postbank in 2016 according to the market-based approach are: 34,183 tonnes of CO₂e. Total emissions based on local reporting requirements amount to 82,432 tonnes of CO₂e. The reduction of GHG by 48,249 tonnes is the result of contracts for renewable energy.

3) The overall emissions are derived from the actual, forecast or extrapolated data. All assumptions made and calculation methods used are in accordance with the standard ISO 14064 and the supplementary documentation. The relevant activity data are assigned the most appropriate emission factors. They originate from internationally recognised sources, such as DEFRA (2015 and 2016), the GHG Protocol and IEA (2015), or from country or contract-specific sources if these are more accurate. Wherever possible, the factors include all GHGs as well as the "Global Warming Potential" of the gases according to IPCC ratings.

4) The emissions caused by Postbank's business operations are fully compensated by the Deutsche Bank Group within the scope of its new climate neutrality strategy by acquisition and deactivation of the corresponding quantity of verified emissions certificates. The positive effect resulting from this has not been included in the calculation of Postbank's GHG emissions in the present report since it is not an independent achievement of Postbank. The reduction of GHG emissions according to the market-based method as presented here results from the use of electricity from renewable sources.

5) Where consumption data is missing, electricity and heating consumption is extrapolated by means of calculated electricity and heating intensities. The emissions from coolant losses are likewise projected where no data is available.

6) Projected heating consumption in Scope 1 is now uniformly attributed to the category "From natural gas consumption".

7) Emissions from local transport. Long distance rail journeys are CO₂-neutral.

8) Total energy consumption includes all sources that contained in Scopes 1 and 2: natural gas, liquid and fossil energy sources (mobile and stationary), renewable and grid electricity, as well as district heat, cooling and steam generation. For the conversion from joule to kWh, the standard conversion factor was used. No sales of electricity, district heating, cooling or steam are transacted.

9) Data on waste quantities are available for 20 major sites where more than half of staff are employed. The total quantity was projected on the basis of the number of employees (full-time equivalents).

10) The figures for water relate only to drinking water.

11) Around 4,000 employees (full-time equivalents) were transferred temporarily (01/04/2014 to 31/12/2015) within the Deutsche Bank Group to PBC Banking Services GmbH, in which Postbank held a stake of just under 50 percent. The consumption data for these employees and the corresponding emissions are included in the Postbank's environmental impact summary for the entire reporting period.

Annexe

About this report | *The 2016 sustainability report is based on the main parameters set out below.*



Scope of the report

Postbank reports annually on its commitment in the area of sustainability. The present report covers the period from January to December 2016. It follows up on the 2015 sustainability report, published in June 2016.

The report was prepared in accordance with the Guidelines of the Global Reporting Initiative (GRI G4, Core Option).

The statements generally relate to the Deutsche Postbank Group in Germany. The sites in Luxembourg, and Northern Italy are not included in this report. If data or statements do not relate to the reporting period or relate to only a part of the company, this is indicated at the relevant point.

No external audit by independent third parties was performed for the report.

You can find a general overview of Postbank's commitment to sustainability at www.postbank.de/nachhaltigkeit

Should you have any questions regarding this report or concerning Postbank's commitment, please contact nachhaltigkeit@postbank.de

Important events in 2016

In December 2015, Postbank signed a purchase agreement with PBC Banking Services GmbH on the buyback of its service companies (Betriebs-Center für Banken AG, VÖB-ZVD Processing GmbH, Postbank Direkt GmbH, Postbank Service GmbH and BHW Kreditservice GmbH), and simultaneously with Deutsche Bank Privat- und Geschäftskunden AG on the sale of the shares held by Postbank in PBC Banking Services GmbH. The acquisition and the sale were executed with effect from 1 January 2016.

Hans-Peter Schmid resigned from his position as member of the Board of Deutsche Postbank AG and as Chairman of the Board of Postbank Filialvertrieb AG with effect from 30 September 2016. Frank Strauß took over as acting replacement Board member for Retail Outlets in addition to his position as Chairman of the Postbank Board.

You can find further information on the governing bodies of Postbank and changes therein on pages 6 – 7 and 27 of the 2016 Annual Report.

Scope of the report

G4-17	G4-23	G4-28
G4-29	G4-30	G4-32

Important events in 2016

G4-13	G4-23

Guiding principles | *In its mission statement, Postbank has defined “sustainable performance” as an independent principle. Responsible action is not only required of employees and managers, but it is also expected and required of Postbank’s suppliers.*



Mission Statement Brochure

Postbank Mission Statement

The values and principles of Postbank that are to govern the business activities of employees in the entire Postbank Group are documented in the “Postbank Mission Statement”. The Mission Statement specifies the strategic direction of Postbank with a vision and mission. Six values and principles set the standards for correct conduct in dealing with customers, in daily internal interaction and in the relationship with Postbank. The words and spirit of these values and principles are reflected in the guidelines and rules of Postbank (e. g. organisational manuals and work instructions), which determine daily work and business life.

For more information, see section “Company management”, subsection “Sustainability in the banking business”.

Supplier Code of Conduct

Postbank has made a commitment to sustainable development beyond the limits of the Group. Its suppliers, service providers and contractors too must undertake to fulfil fundamental social and ecological minimum standards. To this end, Postbank has developed a supplier code of conduct that must be signed, acknowledged and implemented by its suppliers. The main contents of the code are:

- Renunciation of the use of child labour
- Ban on forced labour
- Remuneration and working hours in line with national regulations
- Ban on discrimination
- Occupational safety
- Adherence to the anti-corruption standard
- Consideration of environmental protection

If the supplier already has its own code of conduct, a reciprocity declaration may for example be agreed.



Corporate responsibility policy

Principles of corporate responsibility

Postbank has defined in binding terms for all employees what it understands sustainability to mean and how it intends to implement its sustainability strategy. The policy “Principles of corporate responsibility – the Postbank Group” describes the fundamental goals of the Bank in the dimensions of social, ecological and economic sustainability. It specifies the roles and responsibilities that are required to achieve these goals.

Supplier questionnaire

Postbank's supplier questionnaire checks whether a business relationship with suppliers is feasible based on their environmental management system. Accordingly, the questions are for example aimed at specific company environmental activities, guidelines and emission of pollutants by the company. On the basis of this information, the supplier is assessed as to whether it meets the preconditions of environmental policy for a long-term business partnership with Postbank.

Paper policy

Paper is among the central resources of financial institutions such as Postbank. For this reason, Postbank ensures that paper products are used in an environmentally responsible way. The "Paper Policy" was adopted for the procurement of paper products in 2008. It applies to both Postbank and its subsidiaries as well as to all their suppliers.

The guidelines categorically prohibit the use of paper products that originate from tropical rainforests, virgin forests, protected ancient forests or those worthy of protection, or that are produced or extracted from illegal felling. Based on this and in accordance with the principles of sustainable forestry, only certified paper products from socially, ecologically and commercially sustainable forest management or recycled materials are used. The guideline also calls for the efficient handling of paper products that is sparing with resources.

Initiatives and memberships | *Postbank communicates openly about how it is taking responsibility in business. It has joined various initiatives to promote its sustainable business development. It shares its experience and expertise with other companies and specialists.*



UN Global Compact

The sustainability model of Postbank is based on the ten principles of the Global Compact of the United Nations. At the World Economic Forum in Davos in 1999, the former UN Secretary General Kofi Annan established a global alliance between the United Nations and private enterprise, the "UN Global Compact". It contains ten principles that have been taken from the Declaration of Human Rights, the core employment standards of the International Labour Organisation (ILO), the Rio Declaration and the UN Convention against Corruption. Since mid-2006, Postbank has been obligated by its former majority shareholder Deutsche Post DHL to observe the UN Global Compact. In 2010, Postbank undertook on its own initiative to observe the UN Global Compact, and it also produces a progress report on the implementation of the principles.

You can find the „Progress report on UN Global Compact compliance“ in the next section.



Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.

Postbank has been a member of the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU) since September 2005. VfU is the only European association that deals specifically with environmental management issues for financial service providers. The aim is to support environmental protection and environmental management in banks and insurance companies. To this end, strategies, tools and best practice solutions are developed, the internal exchange of experience between association members is promoted and the general public is informed.

Sustainability working group at Bankenverband

Postbank is an active member of the "Sustainability" working group of the Bankenverband (Association of German Banks), the umbrella organisation of private banks in Germany. It represents over 200 private banks and eleven member associations. The "Sustainability" working group discusses specific questions relating to sustainability management in the financial services industry such as sustainable banking products and sustainable corporate financing.

Carbon Disclosure Project

The Carbon Disclosure Project (CDP) was established in London in 2000 and is a community project of institutional investors concerned with the economic effects of climate change. In this initiative, 827 investors with assets of over USD 100 billion demand the comprehensive disclosure of greenhouse gas emissions. Several thousand of the world's largest companies already report their emissions on the CDP Platform. By signing up to the CDP in 2006, Postbank acknowledged that financial institutions should give greater attention to aspects of climate protection in their investment decisions.

bankenverband



Initiatives and memberships

G4-15



G4-16



Progress report according to the UN Global Compact | Postbank has undertaken to observe the UN Global Compact. It herewith presents the seventh progress report.



Progress report on UN Global Compact compliance

Principles

Examples

(addressed in articles of the 2016 Sustainability Report)

Human rights

1: Businesses should support and respect the protection of internationally proclaimed human rights and promote them in their sphere of influence

- Life and work
- Diversity, integration and appreciation
- Risk management, loan approvals and investment
- Company management
- Guiding principles

2: Businesses should ensure that they are not complicit in human rights abuses

- Life and work
- Diversity, integration and appreciation
- Company management
- Risk management, loan approvals and investment
- Guiding principles

Labour

3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

- Staff management
- Guiding principles

4: Businesses should uphold the elimination of all forms of forced and compulsory labour

- Company management
- Diversity, integration and appreciation
- Guiding principles

5: Businesses should uphold the effective abolition of child labour

- Sustainability mission statement
- Guiding principles

6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

- Training and development
- Diversity, integration and appreciation
- Company management
- Guiding principles

Environment

7: Businesses should support a precautionary approach to environmental challenges

- Sustainability mission statement
- Sustainability management
- Analysis of significant topics
- Corporate responsibility programme
- Green IT
- Supply chain and procurement

8: Businesses should undertake initiatives to promote greater environmental responsibility

- Sustainability mission statement
- Sustainability management
- Corporate responsibility programme
- Training and development
- Ecological products and services
- Guiding principles

9: Businesses should encourage the development and diffusion of environmentally friendly technologies

- Sustainability mission statement
- Sustainability management
- Corporate responsibility programme
- Energy savings contracting
- Green IT
- Guiding principles

Anti-corruption

10: Businesses should work against corruption in all its forms, including extortion and bribery

- Company management
- Corporate governance
- Risk management, loan approvals and investment
- Compliance and protection against money laundering
- Guiding principles



GRI Content Index | *The Global Reporting Initiative guidelines require general standard disclosures about the company and specific information on fields of activity in the areas of the economy, the environment and society. This detailed index of the contents shows where this information was provided in the 2016 Sustainability Report, 2016 Annual Report and in other documents.*



Materiality Disclosures
Postbank

Apr 2017
Service

General standard disclosures

General standard disclosures	Page	External audit	Description
Strategy and analysis			
G4-1	p. 3	-	Statement from the most senior decision-maker of the organisation
Organisation profile			
G4-3	p. 6	-	Name of the company
G4-4	p. 6; AR 2016: p. 18; (AR 2016: Annual Report of Postbank Group 2016; https://www.postbank.de/postbank/docs/PBGB2016_E.pdf)	-	Primary brands, products and services
G4-5	AR 2016: p. 18	-	Location of the company's headquarters
G4-6	AR 2016: p. 18	-	Countries with significant operations
G4-7	AR 2016: p. 18	-	Nature of ownership and legal form
G4-8	p. 6; AR 2016: p. 18	-	Markets served
G4-9	pp. 6, 117; AR 2016: pp. 18, 46–47	-	Scale of the company
G4-10	pp. 55, 57	-	Total number of employees by employment contract, gender and region
G4-11	pp. 55, 57–58	-	Percentage of employees covered by collective bargaining agreements
G4-12	p. 45	-	Description of the company's supply chain
G4-13	p. 103; AR 2016: pp. 27, 86–87	-	Significant changes during the reporting period
G4-14	pp. 16, 46–49	-	How precautionary principles are addressed
G4-15	pp. 72–73, 106–107	-	Support for external initiatives
G4-16	p. 106	-	Memberships of associations and advocacy organisations
Identified material aspects and boundaries			
G4-17	p. 103; AR 2016: p. 87	-	List of consolidated entities
G4-18	pp. 13–15	-	Process for defining report content
G4-19	pp. 14–15	-	All material aspects
G4-20	pp. 13, 15	-	Material aspects within the company
G4-21	pp. 13, 15	-	Material aspects outside the company
G4-22	pp. 13–15, 98–99, 101	-	Restatement of information provided in previous reports
G4-23	pp. 98–99, 101, 103	-	Significant changes from previous reporting periods in scope and aspect boundaries

AR 2016 = Annual Report of Postbank Group 2016

General standard disclosures			
	Page	External audit	Description
Stakeholder engagement			
G4-24	p. 11	-	Included stakeholder groups
G4-25	p. 10	-	Identification and selection of stakeholders
G4-26	pp. 11–12, 25, 44	-	Approach to stakeholder engagement and frequency
G4-27	pp. 13, 15	-	Key concerns of stakeholders and company's response
Report profile			
G4-28	pp. 101, 103	-	Reporting period
G4-29	p. 103	-	Date of the last report
G4-30	p. 103	-	Reporting cycle
G4-31	p. 118	-	Point of contact for questions regarding the report
G4-32	p. 103	-	GRI in-accordance option and selected index
G4-33	No external audit	-	External audit of the report
Governance			
G4-34	pp. 8–9; AR 2016: p. 6	-	Governance structure including the highest governance body
Ethics and integrity			
G4-56	pp. 42, 104	-	Values, principles and standards of behaviour

Specific standard disclosures				
DMA and indicators	Page	Omissions	External audit	Description
Category: Environmental				
Material aspect: Energy				
G4-DMA	pp. 17, 87–89, 92, 94, 98		-	Management approach
G4-EN3	pp. 89, 100		-	Energy consumption within the company
Material aspect: Water				
G4-DMA	pp. 17, 87		-	Management approach
G4-EN8	pp. 89, 101		-	Total water withdrawal by source
Material aspect: Emissions				
G4-DMA	pp. 17, 87, 92, 94, 98		-	Management approach
G4-EN15	p. 100		-	Direct greenhouse gas emissions (Scope 1)
G4-EN16	p. 100		-	Energy indirect greenhouse gas emissions (Scope 2)
G4-EN17	p. 100		-	Other greenhouse gas emissions (Scope 3)
G4-EN19	pp. 89, 100		-	Reduction of GHG emissions
Material aspect: Products and services				
G4-DMA	pp. 17, 33, 87		-	Management approach
G4-EN27	pp. 35–36, 38–39		-	Extent of impact mitigation of environmental impacts of products and services
Material aspect: Environmentally sustainable products and services-				
G4-DMA	pp. 17, 33		-	Management approach
G4-FS8	pp. 35–36, 38–39		-	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose

GRI Content Index

DMA and indicators	Page	Omissions	External audit	Description
Category: Social				
Sub-category: Labour practices and decent work				
Material aspect: Labour				
G4-DMA	pp. 55, 58, 67 – 68		-	Management approach
G4-LA1	p. 57		-	Total number and ratio of newly hired employees and employee fluctuation by age group, gender and region
G4-LA2		Not applicable as all benefits listed are available to all employees. No differentiation is made between full-time and part-time employees.	-	Company benefits provided exclusively to full-time employees and not, however, employees with fixed-term employment contracts or to temporary employees, by primary business locations
Material aspect: Training and development				
G4-DMA	pp. 55, 60		-	Management approach
G4-LA9	pp. 55 – 57, 62 – 63		-	Average hours of training per year per employee by gender and by employee category
G4-LA10	pp. 63, 65		-	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
G4-LA11	p. 58		-	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
Material aspect: equal remuneration for women and men				
G4-DMA	p. 72			Management approach
G4-LA10		Not applicable, since the remuneration of Postbank employees is based on the activity performed. Differentiation by gender does not occur.	-	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
Sub-category: Product responsibility				
Material aspect: Product and service labelling				
G4-DMA	p. 28		-	Management approach
G4-PR5	AR 2016; p. 10		-	Results of surveys measuring customer satisfaction
Material aspect: Product offerings that support social/socio-political projects				
G4-DMA	p. 33		-	Management approach
G4-FS7	pp. 33 – 34		-	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose
Material aspect: Promoting social institutions				
G4-DMA	p. 33		-	Management approach
G4-FS7	pp. 33 – 34		-	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose
Material aspect: Promoting culture, sport or education				
G4-DMA	p. 33		-	Management approach
G4-FS7	pp. 33 – 34		-	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose

Sustainable development goals of the United Nations that are referred to in this report



Health and well-being



Quality education



Gender equality



Decent work and economic growth



Reduced inequalities



Responsible consumption and production



Climate action

Glossary

G4



These symbols refer to the GRI Content Index on pages 108–110.

A

App

Program for mobile end-devices, e.g. smartphones and tablets (app is short for application).

Audit

An audit is the inspection of a management system and is conducted by trained auditors.

Android

Operating system for tablet computers and smartphones (cf. tablet).

B

BCB

Betriebs-Center für Banken AG (BCB) is a wholly owned subsidiary of Postbank AG founded in 2004.

BestSign

Signature procedure in online banking. The hardware is provided by a USB device to which Postbank sends the transaction data. After data have been received on a device, it shows the data on the display and the transaction only needs to be approved by pressing a button. The data exchange between the device and Postbank is encrypted.

BestSign Fingerprint

Signature procedure in mobile banking. Transactions, e.g. transfers, are approved using a personal fingerprint.

Blue Angel

Blue Angel (German: "Blauer Engel"), an environmental symbol for environmentally-friendly products and services. It is awarded by an independent jury on the basis of defined criteria.

Business continuity management

This is understood to mean processes and planning to ensure that a company can maintain the necessary business processes and functions even in the event of a crisis.

C

Cash recycling system

Reuse of cash is made possible by combined cash deposit and payment machines. For example, the ATMs installed at Shell petrol stations are replenished with the cash used in purchases.

chipTAN comfort

Process to generate a transaction number (TAN) with a so-called TAN generator. This device generates a TAN in interaction with the Postbank Card and the online banking system, which is then valid for only a short time and only for the current transaction.

Compliance

Refers to "acting in accordance with applicable legislation, regulations and internal rules".

Corporate governance

Management and monitoring of the company in a spirit of responsible and value-oriented leadership. The German Corporate Governance Code (GCGC) contains rules and recommendations for good business management.

CSR

"Corporate social responsibility" describes the commitment of a company in the area of sustainable development going beyond legal requirements.

D

DEFRA

The Department for Environment, Food and Rural Affairs is a British government ministry.

Demographic change

Development and change in the age structure of a society.

Disruptive innovation

New technology that can replace existing technologies, products or services (cf. also "incremental innovation").

Diversification

In financial investments, assets are spread over various asset classes (e.g. bonds, shares, property) and investment regions (e.g. Europe, Asia, America) in order to reduce the risk of loss.

Diversity

Refers to diversity among staff with regard to the gender, origin, nationality, age, religious group and physical limitations of employees.

E

E2E – end to end

From the first contact with a customer to the performance of a service.

Energy savings contracting

A contractually agreed service for energy savings that is concluded between a company (contractor) and a building owner or tenant.

EU Ecolabel

European environmental label for the identification of environmentally-friendly products (also: "Euroflower").

F

FAQs

Frequently asked questions.

Fat client

Stand-alone workstation computer with hard and software components (cf. "thin client").

FDL

Financial services (cf. PDL = Postal Services).

Fingerprint

A fingerprint is now used by a number of programs as a method of authorising transactions on smartphones and tablets (electronic signature).

FinTech

A financial technology company. FinTechs offer innovative digital financial services and thereby enter competition with banks.

Forward loan

A mortgage loan that will be paid out only at a future date. This way, builders can, for example, secure affordable interest rates for follow-up financing.

FSC

Forest Stewardship Council. Products with the FSC seal verifiably originate from sustainable forestry.

FTE

Full-time equivalent. The number of employees converted to the equivalent of full-time staff.

G

GHG

Greenhouse gas.

GHG Protocol

Greenhouse Emissions Protocol. An international standard for recording greenhouse gas emissions.

Green IT

Implementation of a design for IT systems that is environmentally-friendly and light on resources. This is achieved through hardware efficiency, the improvement of computer centres and in IT procurement process.

Green procurement

Environmentally friendly procurement processes for products and services.

GRI

Global Reporting Initiative. The GRI is a worldwide network of stakeholders and experts that has produced guidelines on the production of sustainability reports with the aim of making these easier to compare with each other. The G4 guidelines are the fourth generation of the reporting standards.

I

IEA

The “International Energy Agency” is a cooperation platform that is dedicated to the development and application of energy technologies.

Incremental innovation

Gradual improvement of services, products, processes or business models (cf. also “disruptive innovation”).

iPad

Tablet computer from Apple (cf. tablet).

IPCC

The “Intergovernmental Panel on Climate Change” is an inter-state institution that deals with climate change.

ISO 14001

International standard for environmental management systems.

ISO 14064

A standard that deals with issues of determining and recording greenhouse gas emissions for reporting and verification purposes.

ISO 50001

An international standard for environmental management systems.

K

KfW

As the bank of the federation and of the states, the Kreditanstalt für Wiederaufbau (KfW, Bank for Reconstruction) is the business development bank for the German economy and a development bank for developing and transition economies.

KPI

Key performance indicator. An indicator for measuring performance.

L

LAN

Local area network. A local network in a building or at a site.

Leverage ratio

A business ration used in banking. It represents the relationship between tier 1 capital and the entire volume of business.

Life cycle management

A systematic view of products and services over their entire life cycle from raw material extraction and production to utilisation, disposal or recycling.

M**Mobile banking**

Banking transactions on mobile end devices such as smartphones or tablets.

mobileTAN

Method of transmitting a transaction number (TAN) by SMS to a mobile phone. In addition to the TAN, this SMS contains the recipient's account number and the transfer amount so that the client can detect criminal falsification of the transaction data immediately and easily. This TAN is only valid for the one transaction and expires if it is not used by the customer.

P**Paper policy**

Guidelines on the purchase of paper products. It serves to ensure that no raw materials used at Postbank are extracted from tropical rainforests, virgin forests or protected ancient forests.

PC

Personal computer. A stand-alone workstation computer (cf. "thin client" and "fat client").

PDL

Postal service (cf. FDL = financial service).

PEFC

"Programme for the Endorsement of Forest Certification Schemes". Products with the PEFC seal verifiably originate from sustainable forestry.

Phishing

A type of theft of personal data via the internet. Here an attempt is made to obtain personal data or information via e-mails or bogus websites.

Q**QR code**

Quick response code. QR codes use the scanning function of smartphones and tablets to read and deliver the data stored within them, e.g. web addresses or phone numbers as a "quick response" directly to the smartphone or tablet.

S**SB**

Self-service.

SCHUFA credit rating

Protection association for general credit assurance.

Scoring

Process that serves for the standardisation of credit rating checks in the retail business.

SDG – Sustainable Development Goal

A goal for sustainable development. In 2015 the member states of the United Nations adopted 17 sustainable development goals (SDGs) aimed at initiating a global transformation towards a more equitable and sustainable society.

Sensitive sectors

Sectors with little commitment to sustainability.

Sensitive countries

Countries, for example, that do not hold democratic elections or on which customs embargoes have been imposed.

Smartphone

Mobile phone with a screen for Internet use.

SSD

Solid state drive. An electronic means of storage for computers that do not have any moving parts, making it more robust and faster than conventional drives with rotating disks.

Supplier Code of Conduct

This code requires the dealings of all companies that have entered into a business relationship with Postbank be based on ethical principles.

T

Tablet

(Also called tablet PC or tablet computer)

Small computer without keyboard that can be used, for example, for reading newspapers and books.

Thin client

Small, non-standalone workstation device that is connected to a central computer. The operations and programs run on the central computer. The thin client serves as a connecting element between the user and the central computer. Thin clients can replace workstation PCs that consume a lot of resources and energy (cf. also fat client).

U

Environmental guidelines

Postbank's fundamental principles set down in the environmental management system.

UN Global Compact

Pact set up in 2000 by Kofi Annan, the UN Secretary General at that time, with the aim of bringing social responsibility more to the forefront in company activities.

W

Work-life balance

Balance between career and private life.

The Postbank Group in figures

Consolidated income statement		01/01–31/12/2016	01/01–31/12/2015 ¹
Total income	EUR million	3,320	3,143
Administrative expenses	EUR million	-2,853	-2,593
Profit before tax	EUR million	307	584
Consolidated net profit	EUR million	317	611
Adjusted profit before tax ²	EUR million	468	523
Cost/income ratio	%	85.8	80.3
Return on tangible equity			
before tax	%	6.0	12.5
after tax	%	6.2	13.1
Earnings per share³	EUR	1.45	2.79
Consolidated balance sheet		31/12/2016	31/12/2015¹
Total assets	EUR million	147,197	150,501
Liabilities due to customers	EUR million	118,918	119,150
Loans and advances to customers	EUR million	102,003	98,937
Allowances for losses on loans and advances	EUR million	998	923
Equity	EUR million	7,226	7,164
Common Equity Tier 1 capital ratio regular phased-in	%	14.2⁴	13.7
Common Equity Tier 1 capital ratio fully phased-in	%	12.4⁴	11.5
Leverage ratio regular phased-in	%	4.1⁴	4.1
Leverage ratio fully phased-in	%	3.4⁴	3.4
Headcount (FTEs)	Thousand	18.112	14.758
Long-term rating			
Fitch		BBB+ Outlook stable	BBB+ Outlook evolving
<p>1) Figures adjusted (see Annual Report 2016, Note 6).</p> <p>2) The adjustments are shown in the Annual Report 2016 in the section entitled "Results of operations, financial position and net assets".</p> <p>3) Based on 218.8 million shares.</p> <p>4) Factoring in the consolidated net profit for fiscal year 2016.</p>			



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Note

All contents of this report have been carefully gathered from various sources. Copy date was 23/03/2017. The data, information and figures that it contains are true as far as Postbank is aware but Postbank cannot accept any liability regarding their correctness or completeness.

Where only the masculine form of specific terms is used, this is done merely for reasons of better readability and is not intended as gender-specific.

Our special thanks go to all our colleagues and external parties involved who contributed to producing this report.

Photo credits

Deutsche Postbank, Fritz Philipp, Save the Children, UNICEF, Robert Schmiegel



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