

Aareal Bank Group Sustainability Disclosures 2016

About these Sustainability Disclosures

The online Sustainability Disclosures for Aareal Bank Group for the 2016 financial year provide supplementary information to that presented in the “#Thinking ahead. Acting consciously.” Sustainability Report. They are divided into the **five categories set out by EU Directive 2014/95 EU on the disclosure of non-financial and diversity information (“CSR Directive”)**, supplemented by selected disclosures on economic performance (economic matters):

1. **Anti-corruption and bribery matters**
 2. **Employee-related matters (with diversity as a sub-category)**
 3. **Social matters**
 4. **Respect for human rights**
 5. **Environmental matters**
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Economic matters

Selection of the information disclosed under each of the sub-headings pursuant to the current version of the **Global Reporting Initiative (GRI)’s Sustainability Reporting Guidelines, version G4**, is based on core topics identified as part of the materiality analysis. These are preceded by the GRI “General Standard Disclosures”. The management approaches include a description of the aspects that are important to ensuring the long-term success of the Company (listed at the start of each management approach), along with the concepts adopted. Areas we are pursuing as a matter of conviction are in some cases reported on without further details of the underlying concepts.

The business model is described in the 2016 Annual Report, in the section entitled “Fundamental Information about the Group”, pp. 48-51, as well as in the “Risk Report” on pp. 74-98 of the Group Management Report. Supplementary information on key aspects of sustainability are outlined in the management approaches. The “Risk Report” on pp. 74-96 of the Group Management Report provides comprehensive information on the risks identified as relevant to Aareal Bank Group. We provide more detail on risks that have an impact on sustainability in the profile of opportunities and risks presented with each management approach. Such risks are of particular importance to stakeholders with an interest in sustainability.

The “External assurance” column relates to the **information presented in the “GRI disclosures” column, including the linked documents**. This information was subject to a **“Limited Assurance” review by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft**.

The “UNGC” column indicates which of the **UN Global Compact’s Ten Principles** the disclosure relates to, and also serves as a progress report in relation to the Global Compact.

General abbreviations: AR 2016 = Aareal Bank Group 2016 Annual Report | SR = Sustainability Report | CoC = Code of Conduct | SCoC = Supplier Code of Conduct | UNGC = United Nations Global Compact

GRI-specific abbreviations: DMA = Disclosure of Management Approach | EC = Economic | EN = Environmental | FS = Financial Sector (indicators from the Financial Sector Supplement) | HR = Human Rights | LA = Labour | PR = Product Responsibility | SO = Social

GRI	GRI disclosures	External assurance	Additional references	UNGC
General Standard Disclosures under GRI G4				
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker		SR 2016, p. 3	
Organisational Profile				
G4-3	<u>Name of the organisation</u> Aareal Bank Group			
G4-4	<u>Primary brands, products and services</u>		AR 2016, pp. 48-50	
G4-5	<u>Location of organisation's headquarters</u> Wiesbaden, Germany			
G4-6	<u>Countries where the organisation has significant operations</u>		AR 2016, pp. 48-50	
G4-7	<u>Nature of ownership and legal form</u> Aareal Bank AG (public limited company under German law (Aktiengesellschaft), listed in the Commercial Register at the Wiesbaden District Court under Company Number HRB 13184) with shares held in free float.		AR 2016, p. 43	
G4-8	<u>Key markets served</u>		AR 2016, pp. 48-50	
G4-9	<u>Scale of the organisation</u> Aareal Bank Group – Key Indicators (link)		AR 2016, inside cover page	

G4-10	<p><u>Employees by employment type, gender and region</u></p> <p>As at 31 December 2016 Aareal Bank Group employed 2,728 staff throughout the Group. The overview presented under Employee indicators (link) provides detailed information on employment relationships and the distribution by sex and region.</p>	✓		
G4-11	<p><u>Percentage of employees covered by collective bargaining agreements</u></p> <p>The interests of employees are represented by Aareal Bank and Aareon Deutschland's General Works Councils, local Works Councils, the relevant trainee and disability representatives, the Economic Committees and the Employee Representatives on the Supervisory Boards of Aareal Bank and Aareon Deutschland. In the Group as a whole, 81 % of employees are covered by collective agreements.</p> <p>Employee indicators (link)</p>	✓		
G4-12	<p><u>Description of the organisation's supply chain</u></p> <p>Aareal Bank Group primarily makes use of services, particularly (market) data services and consulting/auditing services. It also purchases products and services in the field of IT, including hardware, software and telecommunications, and in the areas of building management, maintenance and office fixtures and fittings. Furthermore, Aareal Bank Group purchases products and services needed for trade fairs, employee events, company representation and advertising purposes.</p> <p>When selecting suppliers, we assess not only their economic performance but also their ecological, social and ethical sustainability. These standards are set out within the Group guidelines on supplier management.</p> <p>Our Code of Conduct for Suppliers sets the standards for taking responsibility for people and the environment that govern these business relationships. It is based on the principles set out in the UN Global Compact and by the International Labour Organisation (ILO).</p> <p>We conduct in-house evaluations to determine whether suppliers comply with these requirements.</p>		SR 2016, pp. 28-29	12

G4-13	<u>Significant changes during the reporting period</u> <ul style="list-style-type: none"> • Commencement of the programme for the future “Aareal 2020 – Adjust. Advance. Achieve.”, including a comprehensive strategic road map • Expansion of the Management Board 		AR 2016, pp. 261-267	
G4-14	<u>Whether and how the precautionary principle is addressed</u> <p>The “Aareal 2020 – Adjust. Advance. Achieve.” programme for the future sets forth Aareal Bank Group’s strategic measures for achieving the goal of continuing its success story and creating value for all stakeholders on a sustainable basis. Our sustainability mission statement, which is supported by an integrated sustainability management system, underpins our sustainable corporate strategy, providing a summary of the corporate responsibility principles that are aligned with our objective of doing business sustainably:</p> <ul style="list-style-type: none"> • We take an integrated approach and broaden the areas of activity identified in our strategic agenda to include social and ecological issues. • We analyse trends holistically, evaluate the resulting opportunities and risks, and align our forward-looking sustainability programme with this. • We focus on all relevant stakeholder groups, seek to engage in active dialogue with them in a variety of ways and show how we make use of the insights we have gained. • We make sure that business decisions take account of ecological, social and governance factors and communicate our progress and the challenges we face transparently and credibly. • We set priorities and implement our decisions, thereby reinforcing corporate sustainability values such as reliability, innovative ability, integrity and compliance, our appeal as an employer, and an emphasis on building and maintaining high-trust client relationships. 		AR 2016, pp. 74-96 http://www.aareal-bank.com/en/responsibility/	7
G4-15	<u>Support for external initiatives</u> See G4-16			1-10
G4-16	<u>Memberships of associations and advocacy organisations</u>			7

	<p>Aareal Bank AG memberships include:</p> <ul style="list-style-type: none"> • Association of German Banks (Bundesverband deutscher Banken – BdB), Sustainability Working Group • Federal Association of German Housing Companies (Bundesverband deutscher Wohnungsunternehmen – GdW) • Federal Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands – VÖB) • CSR Regio.Net Wiesbaden • econsense - Forum for Sustainable Development of German Business (Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e. V.) • German Society of Property Researchers (Gesellschaft für immobilienwirtschaftliche Forschung – gif), Sustainability Working Group • Ökoprotit Klub (Ecoprofit club) • UN Global Compact: signatory since 2012 • Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken – vdp) • Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten – VfU) • German Property Federation (Zentraler Immobilienausschuss – ZIA), CSR Committee • Numerous regional housing industry associations <p>Aareon AG memberships include:</p> <ul style="list-style-type: none"> • Federal Association of Independent Property and Housing Enterprises (Bundesverband Freier Immobilien- und Wohnungsunternehmen e.V. – BFW) • Umbrella association of German property managers (Dachverband Deutscher Immobilienverwalter e.V. – DDIV) • Additional regional property industry associations 			
Identified Material Aspects and Boundaries				
G4-17	<p><u>List of entities included in the organisation's consolidated financial statements</u></p> <p>List of shareholdings (link)</p>		<p>AR 2016, p. 131, pp. 233-236</p>	

<p>G4-18 to G4-21</p>	<p><u>Process for defining report content All material aspects Material aspects within the organisation Material aspects outside the organisation</u></p> <p>A sustainable approach to doing business is a key precondition for the long-term viability of a company or organisation. Successful sustainability management therefore requires us to select and prioritise the action areas and key topics that are material to our Company's business in its specific sector. Identifying and analysing these key topics allows us to lay the foundations for strategic sustainability management, which defines quantifiable targets and develops precisely tailored measures.</p> <p>We performed such an analysis of the topics material to a forward-looking focus for Aareal Bank Group in the financial year 2015, and further developed it in 2016.</p> <p>As part of this process we regularly speak to analysts during ratings processes, exchange views with Sustainability Officers from our competitors and in other sectors and hold targeted discussions with representatives from relevant stakeholder groups. This enables us to evaluate whether our sustainability management processes are still addressing the right areas or whether changes in the relevance of certain areas or our ability to exert an influence mean that we need to refine our focus.</p> <p>This dialogue has revealed that the twelve action areas that we have identified, including the associated core topics, remain of particular relevance. This also reflects the progress made in the results of the various sustainability ratings, which also verify whether we are addressing topics that are relevant to our sector in the context of our business model.</p> <p>Aareal Bank Group materiality matrix (link)</p> <p>Allocation of major topics to GRI aspects (link)</p>	<p>✓</p>	<p>SR 2016, pp. 4-5</p> <p>SR 2015, pp. 12-15</p>	

G4-22	<p><u>Restatements of information provided in previous reports</u></p> <p>For the first time, Aareal Bank Group's reporting on FY 2016 is made up of two parts, in the form of the "#Thinking ahead. Acting consciously" progress report and these Sustainability Disclosures. The new structure arises as a result of the requirements of the CSR Directive (five categories)</p> <p>Presentation of information from a Group perspective for the first time provides focus. Only where indicators/information are not yet available for Aareal Bank Group are they reported separately for individual entities. Any additional changes or new information are clearly identified at the corresponding point in the document.</p>	✓		
G4-23	<p><u>Significant changes in the scope and aspect boundaries</u></p> <p>None</p>	✓		
Stakeholder Engagement				
G4-24 to G4-27	<p><u>Stakeholder groups engaged by the organisation Basis for identification and selection of stakeholders Approach to stakeholder engagement and frequency of engagement Key topics and concerns raised through stakeholder engagement and how the organisation has responded</u></p> <p>Aareal Bank Group is committed to active dialogue in various formats and with a range of stakeholder groups. This enables us to understand the requirements and expectations of different stakeholder groups, to take suggestions on board and to incorporate insights into our business and decision-making processes.</p> <p>The Aareal Bank Group Stakeholder Engagement (link) diagram shows the stakeholder groups relevant to the Company and its core business, and the format that contact with these groups takes.</p>	✓	SR 2016, pp. 4, 17 SR 2015, pp. 12-15	1-10
Report Profile				
G4-28	<u>Reporting period</u>			

	1 January 2016 to 31 December 2016			
G4-29	<u>Date of most recent previous report</u> April 2016			
G4-30	<u>Reporting cycle</u> Annual			
G4-31	<u>Contact point for questions regarding the report</u> Julia Taeschner, Group Sustainability Officer Paulinenstraße 15 DE-65189 Wiesbaden Tel. +49 (0)611 348-3424 E-Mail: sustainability@aareal-bank.com			
G4-32	<u>GRI “in accordance” option and content index selected</u> In accordance/core, plus selected additional indicators			
G4-33	<u>External assurance for the report</u> Selected disclosures (see “External assurance” column), including the linked documents, were subject to a “Limited Assurance” review by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. Audit opinion (link)			

Corporate governance				
G4-34	<p><u>Governance structure including committees of the highest governance body</u></p> <p>At an organisational level, Aareal Bank Group has assigned responsibility for sustainability management to the Chairman of the Management Board. The Chairman proposes relevant issues for discussion by the Management Board. Assisting the Chairman in the task of strategically enhancing Aareal Bank's sustainability performance is the Group Sustainability Officer, who organises the meetings of the Sustainability Working Group and is the contact for all divisions within the Company. The Sustainability Working Group serves as a platform for the Management Board to enhance the sustainability programme. It is composed of representatives from Strategy, Portfolio Management & Controlling, Sales, Credit Management, Risk Management, Workout, Housing Industry, Investor Relations, Finance, Treasury, Compliance, Human Resources, Facility Management, Purchasing and Corporate Communications.</p>	✓	<p>See AR 2016 for general information on the management structure</p> <p>AR 2016, pp. 252-254</p>	
Ethics and Integrity				
G4-56	<p><u>Values, principles, standards and norms of behaviour</u></p> <p>See category 1: Anti-corruption and bribery matters, G4 DMA</p>			1-10

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Report pursuant to 2015/95 EU (“CSR Directive”)

1. Anti-corruption and bribery matters

G4 DMA	<p><u>Management approach (aspects: anti-corruption, compliance)</u></p> <p>Profile of opportunities and risks</p> <p>For Aareal Bank Group, responsible, transparent corporate governance is part of good business practice, and is firmly rooted in the work of the Management Board and Supervisory Board. Integrity and responsible conduct are also enterprise-wide duties that apply to all employees, regardless of their function or role.</p> <p>Contravention of these principles brings with it both the possibility of legal consequences and a high risk of reputational damage, with the accompanying financial losses. These have the potential to be substantial. Compliance is therefore of great relevance to Aareal Bank Group as a whole. Failure to comply with laws, official regulations or internal rules may also result in disciplinary action for employees. With respect to combating corruption and bribery, sound risk management can present opportunities, by establishing and maintaining the trust of our clients and other contractual partners, of supervisory authorities and other stakeholders in our society. Risk management therefore ultimately helps to secure long-term customer loyalty and continuous economic growth for the Company.</p> <p>Objectives</p> <p>Priority objectives are to maintain Aareal Bank Group’s strong reputation and protect it against financial loss by implementing an effective, Group-wide Compliance management system. This involves continuous optimisation of compliance processes, the involvement of and training for all employees, and systematic monitoring. It also includes further measures such as comprehensive checks on partners we are planning to do business with. This means that the risk of possible breaches of duty can be identified at an early stage, actual breaches can be prevented and potential losses to the Company can be averted.</p>	✓	Includes G4-56	10
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Activities

- **Principles:** Integrity and compliance are firmly rooted in the organisation, based on the principles of good corporate governance as recommended by the German Corporate Governance Code (DCGK). Aareal Bank Group's Annual Reports include information on how the Bank meets the recommendations of the DCGK. In addition, by becoming a signatory to the United Nations Global Compact, Aareal Bank Group has committed itself to implementing Principle 10 of the Compact and to report on its progress each year. Under Principle 10, companies should work to combat all types of corruption, including extortion and bribery.
- **Set-up:** In order to meet the complex challenges we face in our international business, we have increased the number of staff in our Compliance Unit and expanded it to become an independent staff division. The Compliance Unit's duties include the prevention of money laundering and corruption, ensuring data protection and information security and handling conflicts of interest. From an organisational and technical point of view, the Compliance Officer falls directly under the authority of the Bank's management. She reports to management and is bound by instructions received from them. Other employees are not entitled to direct the activities of employees within Compliance, nor may they influence the activities of Compliance in any other way.
- **Compliance Management and guidelines:** Compliance Management includes numerous guidelines and a Code of Conduct for employees, along with appropriate training. Compliance carries out control activities to verify that legal and internal Group requirements are met. The Group has implemented procedural guidelines for preventing financial crime. These require employees to report suspicious incidents and guarantee their anonymity. Anti-corruption guidelines are in place in order to protect employees from becoming involved in instances of corruption. The guidelines provide the basis for protecting all employees and raising their awareness of the danger of corruption, as well as offering a compass for correct conduct.

	<ul style="list-style-type: none"> • Compliance training: As part of their induction, newly-recruited employees attend a classroom-based training course on the Company's compliance and fraud prevention requirements and the potential consequences of breaching the rules. In addition, they are required to complete web-based training programmes and, where required, more in-depth classroom courses on compliance, money laundering, other criminal acts and data protection. • Verification procedures before entering into a business relationship: We use standardised "know your customer" and "know your customer's business" procedures to gather information on our clients and, where appropriate, other economic beneficiaries, their ownership and control structure, their business models and the source of their equity capital etc. This enables us to evaluate the level of risk associated with the business relationship and define the scope of the due diligence required. New suppliers and service providers with a contractual volume > € 10,000 are verified using business reports from commercial agencies. Primary suppliers are assessed on a regular basis using a supplier evaluation system. For new joint ventures/equity investments, our Acquisitions & Subsidiaries division carries out financial and legal due diligence. • Code of Conduct: Our Code of Conduct contains binding rules requiring all employees to act in a lawful and ethical manner towards clients, business partners and colleagues. Aareal Bank Group uses the Code of Conduct as a means to live up to and reinforce its stakeholders' trust. The Compliance division carries out an annual programme of control activities in order to monitor compliance with the requirements. 			
	<p>Aspect: anti-corruption</p>			
<p>G4-SO3</p>	<p><u>Total percentage of operations assessed for risks related to corruption and significant risks identified</u></p> <p>All operations are included in the Compliance concept.</p>			<p>10</p>

G4-SO4	<u>Communication and training on anti-corruption policies and procedures</u> All employees attend a classroom-based training course on the Company's compliance and fraud prevention requirements as part of their induction. In addition, they are required to complete training programmes and specialist classroom courses on compliance, money laundering, other criminal acts and data protection.			10
G4-SO5	<u>Confirmed incidents of corruption and actions taken</u> No cases of corruption came to light at Aareal Bank Group during the year under review.	✓		10
Aspect: compliance				
G4-SO8	<u>Fines and sanctions for non-compliance with laws and regulations</u> None – see Code of Conduct	✓		
Other G4 indicators included in the report				
G4-SO7	<u>Legal actions for anti-competitive behaviour, anti-trust and monopoly practices</u> None – see Code of Conduct			

2. Employee-related matters & diversity				
2.1 Employee-related matters				
G4 DMA	<p><u>Management approach (aspects: employment, labour/management relations, occupational health and safety, training and education)</u></p> <p>Profile of opportunities and risks</p> <p>Committed, well-trained employees that are aware of their responsibilities ensure the long-term success of the Company. This is all the more true of our business given the complex nature of our client relationships, which vary widely and are often based on trust built up over many years.</p> <p>In addition, we need to adapt to, and to actively shape, market changes to an even greater extent – one example here are the increasingly rapid moves towards product and client digitalisation, which is leading on our part to a growing need for agile and flexible solutions.</p> <p>We therefore rely on employees who think and act in an entrepreneurial manner, take on responsibility and work on ideas and solutions across all business divisions and the Group as a whole. They are the decisive factor in ensuring Aareal Bank Group's economic performance and competitiveness.</p> <p>As a result, a decline in our employees' motivation or their ability to perform their duties, or the loss of talent to competitors, represent substantial risks. Demographic change also presents a medium to long-term risk, in terms of the rising average age of the workforce and the accompanying potential health risks, as well as the shortage of specialised employees in future generations.</p> <p>We work to avoid these factors by implementing modern HR activities that in many ways promote a corporate culture that is able to meet these challenges. These include excellent conditions of employment, targeted staff development aimed at improving the skills of managers, experts and employees, and comprehensive support and flexibility for employees.</p>	✓	See also G4-10, G4-11	3.6

	<p>Objectives</p> <p>Our focus is on building and enhancing our appeal as a modern employer in order to continue to attract and retain talented staff. We support and accompany change processes, thus contributing to the performance of Aareal Bank Group.</p> <p>Activities</p> <ul style="list-style-type: none"> • Principles: We are committed to responsible, innovative HR practices that strengthen employee commitment and increase employee motivation, foster skills and competencies on an individual basis and in a way that promotes employee performance, provide employees with support in line with their individual circumstances and stage of life, and guide them through changes within the Company. • Set-up: Aareal Bank Group's human resources activities are performed by the human resources departments at the Group companies. Aareal Bank AG also carries out HR functions for a number of smaller subsidiaries. Within the Aareon subgroup, Aareon AG is responsible for human resources policy. However, Aareal Bank Group has issued a number of guidelines (e.g. on its remuneration strategy, its human resources controlling guidelines and its corporate retirement plan) to ensure Group-wide management. These guidelines are based on the core labour standards of the International Labour Organisation (ILO) or on national labour and social standards that clearly exceed them. • Training: Aareal Bank Group invests in its employees' continuing professional development on an ongoing basis. The core objective of such measures is to sustainably enhance specialist, business and communication skills. Since an international orientation plays a significant role for Aareal Bank Group, we are increasingly working to expand our employees' language and intercultural skills. • Work-life balance: Supporting employees in achieving work-life balance is a high priority for Aareal Bank Group. In line with this, employees can take advantage of a broad range of support services. These include models for flexible and part-time working, long-term working time accounts and the option of working from home for part of the time if the position concerned allows this. • Occupational health and safety: At Aareal Bank Group, the Management Board is responsible for organising occupational safety activities, which it does using an integrated 			
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	<p>management system and in compliance with statutory regulations. This means specifically planning health and safety in the working environment, organising it systematically, and consistently treating it as a management responsibility. It also means regularly reviewing the efficacy of, and continuously improving, our occupational safety management activities. Within the Company, occupational health service BAD operates a health portal providing information that can be accessed by our employees at all times. At the same time, employees can share experiences and make suggestions on health issues using a discussion forum on the intranet.</p> <ul style="list-style-type: none"> • A wide range of courses are on offer in the area of exercise and ergonomics, and on mental health and relaxation. • Diversity and equal opportunities: We view a diverse workforce and equal opportunities for our employees, irrespective of their backgrounds, as economic strengths (see “Diversity”). 			
Aspect: employment				
G4-LA1	<p><u>New employee hires and employee turnover</u></p> <p>Aareal Bank Group appointed 240 new members of staff* during the reporting period; the overview presented under Employee indicators (link) shows the split by gender, age and region.</p> <p>At 3.9%, the Group-wide staff turnover rate at Aareal Bank Group was higher than in the previous year (2.8%).</p> <p>* This information was collected at Group level for the first time during the reporting year. As a result, no comparative figures are available.</p>	✓		
G4-LA2	<u>Benefits provided to full-time employees</u>		Aareal Bank & Aareon	

	<p>Remuneration systems are based on remuneration principles that apply throughout Aareal Bank Group. The Supervisory Board and the Management Board carried out the annual review of the remuneration systems, involving the Human Resources division, the Remuneration Officer and internal control units in line with their respective functions, and with the support of external legal and remuneration advisors.</p> <p>External advisors were retained, amongst other things, to examine the appropriateness of remuneration systems and the remuneration of members of the Management Board and employees, and to advise on the design of the Group-wide remuneration strategy.</p> <p>In addition to their fixed remuneration, which is paid in twelve monthly instalments, all employees receive performance-related variable remuneration. The variable remuneration for a small number of employees (senior executives and so-called risk takers) comprises a short-term and a long-term component. By capping the variable payments, we avoid creating negative incentives to take inappropriately high risks.</p> <p>Salaries are reviewed annually, to ensure that individual remuneration packages are appropriate. The objective is to offer a remuneration level that is both appropriate and attractive to all Group employees.</p> <p>Aareal Bank Group also offers its employees a range of social benefits and a deferred compensation scheme in order to contribute to their own pension provision, to take advantage of Group discounts and to optimise their tax affairs. This includes:</p> <ul style="list-style-type: none"> • Retirement provision and insurance • Insurance (health insurance for foreign travel, occupational disability insurance, accident insurance) • Training and education • Fostering young talent/vocational training/graduate trainee programme • Work-life balance • Health management • Lunch/restaurant vouchers • Subsidised public transport 		<p>websites SR 2015, pp. 24-29</p>	
<p>Aspect: labour/management relations</p>				

G4-LA4	<p><u>Notice periods regarding material operational changes</u></p> <p>In Germany, notice periods under employment law are governed by the Works Constitution Act (Betriebsverfassungsgesetz). Aareal Bank Group fundamentally respects the statutory requirements of the countries in which it operates. Where operational changes are planned, the respective Economic Committee is informed first, and negotiations then take place with the Works Councils.</p>			<p>3</p>
<p>Aspect: occupational health and safety</p>				
G4-LA6	<p><u>Injuries, occupational diseases, lost days and fatalities</u></p> <p>Aareal Bank Group operates a company health management system to promote employee health. This includes offering staff the opportunity to attend seminars and presentations on subjects including preventative healthcare, methods for “slowing down” and managing time and how to cope with large amounts of information, as well as on exercise, nutrition and mental health.</p> <p>Sickness rates are not yet compiled at Group level. During the reporting period, the sickness rate at Aareal Bank stood at just 4.5%.</p> <p>The Group-wide accident rate* (0.9%) and the number of workplace or commuting accidents* (19) are also low. No occupational illnesses became known in the reporting period. Likewise, there were no work-related deaths.</p> <p>Employee indicators (link)</p> <p>* This information was collected at Group level for the first time during the reporting year. As a result, no comparative figures are available.</p>		<p>SR 2016, pp. 18-19 AR 2016, p. 69</p>	
G4-LA7	<p><u>Workers with high incidence or high risk of diseases</u></p> <p>No cases were reported during the year.</p>			

Aspect: training and education				
G4-LA9	<p><u>Average hours of training per employee</u></p> <p>Across the Group as a whole, the Bank invested an average total of 3.5 days of training and education per employee in 2016. This corresponds to 9,416 participant days across the Group (previous year: 3.2 days per employee; 9,160 participant days).</p> <p>Our ongoing investment in training underlines the importance Aareal Bank Group places on the technical, business and personal expertise of its employees.</p> <p>Employee indicators (link)</p>	✓		
G4-LA10	<p><u>Programmes that support the continued employability of employees</u></p> <p>Aareal Bank offers its employees a wide range of opportunities for personal and technical development.</p>		<p>SR 2016, pp. 18-21</p> <p>AR 2016, pp. 69-74</p> <p>SR 2015, p. 25</p>	
G4-LA11	<p><u>Percentage of employees receiving regular performance and career development reviews</u></p> <p>As part of the Structured Appraisal and Target-Setting Dialogue, every employee (100%) discusses his or her individual development and agrees specific development measures at least once a year with their manager. The Dialogue is Aareal Bank Group's main tool for supporting its staff and planning employee development.</p>	✓	AR 2016, pp. 69-74	

2.2 Diversity

<p>G4 DMA</p>	<p><u>Management approach (aspects: diversity and equal opportunity, equal remuneration for women and men)</u></p> <p>Profile of opportunities and risks</p> <p>Aareal Bank Group firmly believes that diversity among its workforce and its committee members enriches the Group’s corporate culture and that it is a long-term success factor. By promoting diversity, Aareal Bank Group increases its attractiveness as a modern employer, strengthens employee commitment, raises employee motivation, ensures skills and competencies are fostered individually in a way that promotes employee performance, provides a response to demographic change and an ageing workforce, and takes into account individual circumstances and stages of life. In general, the more diverse the background of the employees involved, the more creativity they show when formulating approaches to solving problems, and the lower the danger of “group-think”. Diversity also has clear benefits when dealing with our international clients, e.g. in the form of language skills or an understanding of clients culture and values.</p> <p>Conversely, discrimination against employees on the basis of diversity factors can damage teamwork and hence results. It can also lead to inefficient working processes, demotivate talented employees and thereby cause economic harm. Aareal Bank Group must therefore find a balance between diversity, efficiency and treatment of its employees in line with their performance.</p> <p>Objectives</p> <p>Management seeks to recognise, value and promote diversity in everyday working life and to create a corporate culture that views taking an active approach to diversity as a sign of quality and something that enriches the Company.</p> <p>The broad international set-up of the workforce (employees from 28 nations are currently employed) and the fact that 30 % of Supervisory Board members and 25 % of Management Board members were women, even before the relevant law came into effect, are important elements of our business that we intend to maintain.</p> <p>In addition, the Management Board has set targets of 6.3 % for the first and 21.4 % for the second level of management below the Management Board. These must be achieved by 30</p>		<p>AR 2016, pp. 73-74, 254-256</p>	<p>6</p>
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	<p>June 2017.</p> <p>Activities</p> <ul style="list-style-type: none"> • Principles: As signatories to the Diversity Charter, we respect all persons regardless of their ethnic origin, religion, ideology, disabilities, sexual identity, gender or age. This basic principle is also included in our Code of Conduct. The Management Board has therefore made an express commitment to diversity in Aareal Bank Group, and has published this commitment on the Internet and Intranet. This commitment defines diversity as an appreciation of the uniqueness of every individual and respect for their differences, equal opportunities at all levels, the prevention of discrimination of any kind, along with actively representing and living the belief that diversity enriches corporate culture and also represents a success factor in reaching strategic goals. • Commitment: It is Aareal Bank Group's stated aim that women and men are to be treated equally in terms of staffing decisions, continuing professional development and with regard to training and remuneration within the Company. Both the current proportion of female members of the Supervisory Board and Management Board and the publication of targets for the proportion of women in the first two management levels below the Management Board demonstrate the importance of this issue to Aareal Bank Group. 			
<p>Aspect: diversity and equal opportunity</p>				
<p>G4-LA12</p>	<p><u>Composition of governance bodies and breakdown of employees by indicators of diversity</u></p> <p>Composition of Aareal Bank AG's Supervisory Board:</p> <p>Key factors taken into account for nomination to the Supervisory Board are the professional aptitude and experience of candidates. The factors are also important in the context of the Group's international activities. Diversity in terms of educational background, the 30 % target quota for the proportion of women on the Supervisory Board and a high degree of independence are explicitly considered. In addition, there is a requirement that not every member should have gained most of his or her professional experience at a financial institution.</p> <ul style="list-style-type: none"> - Diversity exists in relation to professional and educational background - Proportion of women: 33.33 % - Age: 0x < 30 / 0x 30-50 / 4x 50-60 / 8x 60-70 (age limit 70) 	<p>✓</p>	<p>AR 2016, pp. 252, 254</p> <p>http://www.aareal-bank.com/en/about-us/company-profile/the-management-board/</p> <p>http://www.aareal-bank.com/en/about-us/company-profile/supervisory-board/</p>	<p>6</p>

	<p>- Number of independent shareholder representatives: 100 %</p> <p>Composition of Aareal Bank AG's Management Board:</p> <p>When selecting new members of the Management Board, the Supervisory Board considers the duties required of the candidate in the context of the overall responsibility to be assumed on the Management Board, as well as with respect to individual Management Board sections. Each candidate must be reliable and sufficiently qualified to fulfil these duties. In particular, the Supervisory Board considers the target quota of 25 % female Management Board members when selecting candidates. Moreover, where several candidates are available with equal qualifications, the Supervisory Board will also consider the objective of ensuring maximum diversity in terms of different educational backgrounds and professional experience.</p> <p>- Diversity exists in relation to professional and educational background</p> <p>- Proportion of women: 40 %</p> <p>- Age: 1x 30-50 / 4x 50-60</p> <p>Composition of the workforce:</p> <p>Employee indicators (link)</p>			
<p>Aspect: equal remuneration for women and men</p>				
<p>G4-LA13</p>	<p><u>Ratio of basic salary and remuneration of women to men</u></p> <p>When setting the remuneration of employees, we do not differentiate by gender but rely exclusively on aspects such as qualification, professional experience or training.</p> <p>Aareal Bank AG had its remuneration structures analysed as part of a study (Logib-D) sponsored by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth. The results showed that there are no significant differences in remuneration between men and women in comparable positions. The employee representative bodies regularly verify that positions are filled on the basis of applicants' qualifications in the course of exercising their co-determination rights.</p> <p>Aareal Bank will report on this in its 2018 Annual Report, on the basis of the German Remuneration Transparency Act (Entgelttransparenzgesetz), which will by then have come into force. At present, only a draft version of the Act is available.</p>		<p>AR 2016, pp. 74, 252-253</p>	<p>6</p>

3. Social matters				
G4 DMA	<p><u>Management approach (aspects: customer privacy, product and service labelling, supplier assessment for impacts on society, supplier assessment for labour practices, compliance)</u></p>	✓	See also G4-12, G4-15, G4-16, G4-LA13	
	<p>Profile of opportunities and risks</p> <p>Aareal Bank Group’s business activities provide a wide range of opportunities to make a positive contribution to society. In its Consulting and Services business, Aareal Bank’s efficient, digital transaction and processing systems contribute to society – automated processes reduce administrative costs, which benefits our clients’ customers (generally tenants of office and residential buildings). In addition, specific projects within our portfolio of services can also make a contribution towards generating added value in society.</p> <p>In the Structured Property Financing segment, the sustainable value of the property financing portfolio, continuing low levels of credit risk indicators, sound and sustainable refinancing – including via the issuance of Pfandbriefe – and high levels of client deposits allocated to the C/S segment on Aareal Bank Group’s balance sheet all make an indirect positive contribution to the stability of the financial markets, particularly in the commercial property sector.</p> <p>In contrast, many social risks that are typical for the property sector, such as a lack of transparency in the construction business and negative impacts on local communities, are not relevant for Aareal Bank Group because we are hardly ever involved in the development of new buildings. Instead, we finance properties that are already complete. We also focus on commercial properties (hotels, offices, logistics and shopping centres) and not, for example, on industrial plants that raise serious sustainability issues.</p> <p>Social matters play an important indirect role within the Company, in the sense of social responsibility, particularly when it comes to managing customer satisfaction, as well as in terms of guaranteeing data security and data protection and in supplier management.</p> <p>Our commitment to and membership of associations, our involvement in initiatives and our voluntary charitable activities also positive contributions to society.</p> <p>Objectives</p> <p>To expand our position as the leading provider of smart financing, software products and digital</p>			

solutions for the property sector and related industries. As we do so, we will keep in mind the key sustainability impacts, risks and opportunities associated with our business activities in order to make an active contribution towards promoting sustainable development in society as a whole.

Activities

- **Principles:** Social values such as integrity and reliability are key to Aareal Bank Group's commercial success. In support of these, we have established a compliance structure and implemented a mandatory Code of Conduct – measures that demonstrate the high demands we place on the conduct of our employees. Among other things, our low employee turnover rate also ensures continuity in dealing with clients.
- **Sustainable value of the property financing portfolio:** The use of specific quantitative and qualitative criteria ("selected by Aareal Bank") and a high level of risk sensitivity both contribute to the quality of our portfolio. Aareal Bank Group's loan approval process incorporates risk avoidance processes at many points, thus ensuring the high quality and hence sustainable value of our property financing portfolio. We carry out an extensive analysis of the market, property and risks in order to gain an overall picture of the profitability of the project, the property's value, the collateral provided and the borrower's creditworthiness and other circumstances.
- **Efficient systems:** In the case of office and residential properties, the efficiency savings our clients make by using our banking and software solutions or digital services enable them to reduce their administrative costs and therefore have a positive impact.
- **Data security:** A responsible approach to handling client data is essential. We observe banking secrecy and comply with the provisions of the German Data Protection Act (Bundesdatenschutzgesetz – BDSG) and other specific pieces of legislation, as well as the data protection regulations of the countries in which we are active. We only collect, process and use personal data in those cases allowed by law/with the consent of the data subject. Awareness-raising measures are used to inform employees of the requirements of data protection law.

The information security management system at Aareon AG, where a particularly large volume of data is processed, has been awarded the DQS (Deutsche Gesellschaft zur Zertifizierung von Managementsystemen) data protection quality seal and is certified under the

	<p>ISO/IEC 27001 standard.</p> <ul style="list-style-type: none"> • Customer satisfaction: In our C/S segment, we carry out regular customer satisfaction surveys in order to stave off any undesirable developments at an early stage. We use factors such as overall satisfaction, prospective loyalty and satisfaction with the support provided to calculate a customer retention index for our national and international businesses. We systematically address any areas the survey identifies as requiring attention. • Supplier integration: Social aspects in the supply chain also come into play as part of our role as a signatory to the United Nations Global Compact. Sustainability management therefore focuses on specific requirements made of our suppliers and business partners. • Wide-ranging commitment: Our commitment to sustainability includes membership of relevant associations and participation in sustainability initiatives. Outside our business activities, our social engagement also involves participation in a wide range of charitable and cultural projects and initiatives. 			
Aspect: product and service labelling				
G4-PR5	<p><u>Results of surveys measuring customer satisfaction</u></p> <p>Client satisfaction surveys are an important tool in the continuous improvement of our products and services in the interests of our clients. In the Consulting/Services segment, both capacity utilisation rates and specific indicators relating to regular customer satisfaction surveys are used as performance indicators.</p>		<p>SR 2016, p. 13</p> <p>AR 2016, p. 50</p>	
Aspect: customer privacy				
G4-PR8	<p><u>Substantiated complaints regarding breaches of customer privacy and losses of customer data</u></p> <p>There were no reportable data protection infringements in the period under review.</p>	✓		
Aspect: compliance				

G4-PR9	<u>Significant fines concerning the provision and use of products and services</u> None			
Aspect: supplier assessment for impacts on society				
G4-SO10	<u>Negative impacts on society in the supply chain and actions taken</u> None			
Aspect: supplier assessment for labour practices				
G4-LA15	<u>Significant actual and potential negative impacts for labour practices in the supply chain</u> None			
Other G4 indicators included in the report				
G4-SO6	<u>Total value of political contributions</u> None, cf. CoC			
G4-SO11	<u>Formal grievances about impacts on society</u> None			
4. Respect for human rights				
G4 DMA	<p><u>Management approach (aspects: gender equality, supplier human rights assessment)</u></p> <p>Profile of opportunities and risks</p> <p>Aareal Bank Group mostly operates in countries where the human rights situation is generally understood to be unproblematic. Human rights aspects therefore play a secondary role in our operational business.</p> <p>In the area of purchasing and procurement, there is a risk that suppliers may violate human</p>	✓		1, 2, 4, 5, 6

	<p>rights. We consider the resulting level of risk to be relevant to our reputation but manageable. A Code of Conduct is also in place for suppliers (see below).</p> <p>Certain human rights issues are also of relevance with respect to our employees (see “Diversity” for opportunities/risks).</p> <p>Objectives</p> <p>As a signatory to the UN Global Compact, we pledge to support the protection of international human rights and have created corresponding policies governing respect for and protection of human rights within our business processes.</p> <p>Activities</p> <ul style="list-style-type: none"> • Supplier management: In the area of purchasing and procurement, a Code of Conduct for suppliers has been in place at Aareal Bank Group since 2016. The Code underlines our commitment to the human rights principles set out in the UN Global Compact. This mandatory, Group-wide policy forms the basis for our business relationships with suppliers. The Code of Conduct for suppliers provides us with protection against potential risks in the supply chain arising from failures to comply with environmental or social standards – failures that would reflect negatively on Aareal Bank Group. This also explicitly covers the issue of forced labour, as set out in the UK’s Modern Slavery Act. • Code of conduct: Within the Group, human rights aspects are addressed in the Code of Conduct for employees. The Code deals with the areas of co-determination, diversity, equal rights and equal pay for women and men, and the opposite of this – discrimination. <p>In this way, we prevent discrimination against individuals with differing views and affirm our commitment to employee diversity.</p>			
<p>Aspect: gender equality</p>				
<p>G4-HR3</p>	<p><u>Incidents of discrimination and corrective actions taken</u></p> <p>In line with the Code of Conduct, unequal treatment and discrimination are not tolerated and</p>	<p>✓</p>		<p>6</p>

	<p>may result in disciplinary measures.</p> <p>No cases of discrimination came to light at Aareal Bank Group during the year under review.</p>			
Aspect: supplier human rights assessment				
G4-HR11	<p><u>Significant human rights impacts in the supply chain</u></p> <p>None</p>			2, 4, 5
5. Environmental matters				
G4 DMA	<p><u>Management approach (aspects: energy, emissions, supplier environmental assessment)</u></p> <p>Profile of opportunities and risks</p> <p>Even though the environmental impact of our activities tends to be indirect and difficult to quantify, as is the case for most financial institutions, we aim to contribute towards achieving the 1.5° or 2° goal set by the international community for combating climate change. This is a result both of our convictions and the fact that we believe a failure to do so would present a reputational risk for Aareal Bank Group.</p> <p>The property sector is responsible for a considerable proportion of worldwide energy consumption and CO2 emissions, and hence there is potential for significant savings to be made. Since Aareal Bank almost exclusively finances existing properties, we are only able to influence these areas indirectly, such as by creating transparency in property valuations, which our clients can use as a basis for making their decisions, for example. We only finance properties whose value is sustainable and which live up to our strict quality requirements.</p> <p>We use quantitative and qualitative criteria to assess properties – deficiencies in quality such as inadequate energy efficiency have a negative impact both on the initial assessment and the subsequent reappraisals that we regularly carry out.</p> <p>The direct impact of our business activities on the environment include energy consumption (IT, buildings, business travel) and, to a lesser extent, use of materials and water. We make every</p>	✓		7-9

	<p>effort to minimise these. Eco-efficiency is also an effective way to reduce costs in the areas of energy (heating, electricity) and consumption of materials. Our resource management system eliminates unnecessary costs arising, for example, from outdated systems, inefficient lighting, unnecessarily high waste disposal charges etc.</p> <p>Objectives</p> <p>A responsible approach to natural resources and environmental protection are part of our corporate responsibility. We wish to make a measurable contribution to protecting the climate and environment, and take environmental aspects into account in our business decisions.</p> <p>Activities</p> <p>Aareal Bank Group pursues three areas when dealing with environmental issues:</p> <ul style="list-style-type: none"> • In the Structured Property Financing segment we take environmental aspects into account in the valuation of properties, in particular the technical, functional and environmental quality of buildings. We also endeavour to determine the impact of sustainability certification on properties' ability to maintain and increase their value – something which is difficult to quantify. • In the Consulting/Services segment our digital solutions enable our clients to make efficiency savings, thereby indirectly reducing negative impacts on the environment. Forward-looking products at Aareon AG allow our clients to improve their sustainability performance, for example by using digital solutions, networking systems and visualising consumption data. • The focus in operational environmental management is on eco-efficiency, including the effective use of resources, the reduction of energy consumption, an energy mix with a high proportion of green electricity and the measurement of our own CO2 footprint on the basis of the Greenhouse Gas (GHG) Protocol. Our main sites in Wiesbaden and Mainz are involved in the Ökoprofit (eco-profit) project, which has already enabled them to achieve significant cost advantages. 			
<p>Aspect: energy</p>				

G4-EN3	<p><u>Energy consumption within the organisation</u></p> <p>Aareal Bank Group's total energy consumption of 115,722 GJ represents a decrease of around 7 % compared with the previous year (124,722 GJ). This saving is largely the result of the implementation of measures to improve efficiency, as well as fluctuations in the requirement for heating and air conditioning due to changing weather conditions.</p> <p>Environmental indicators (link)</p>	✓		7
Aspect: emissions				
G4-EN15, G4-EN16	<p><u>Direct greenhouse gas (GHG) emissions (scope 1) energy indirect greenhouse gas emissions (scope 2)</u></p> <p>Total Group-wide scope 1 emissions of CO2 amounted to approximately 3,962 tonnes during the reporting period. We reduced our scope 1 CO2 emissions by around 7 % in comparison with the previous year.</p> <p>Scope 2 emissions are indirectly caused by the Company in that it uses sources of energy that generate emissions elsewhere. Within the Group, this relates both to electricity procurement and to district heating. In order to implement the stricter requirements of the GHG Protocol we have reported Group-wide scope 2 emissions of CO2 since 2015, showing them separately under the location-based and market-based methods.</p> <p>Under the location-based approach, these amounted to 5,950 tonnes (previous year: 6,243 tonnes). The determining factor here is simply the average electricity mix in the relevant country. Under the market-based approach, however, the contractually agreed sources of supply are considered, which also takes into account the high proportion of our total consumption made up by green electricity.</p> <p>According to this approach, Group-wide scope 2 emissions of CO2 came to 2,955 tonnes (previous year: 3,166 tonnes).</p>	✓		

	Environmental indicators (link) , Emission figures (link)			
G4-EN17	<p><u>Other indirect greenhouse gas emissions (scope 3)</u></p> <p>During the reporting period, 1,942 tonnes of emissions (previous year: 1,865 tonnes) were recorded in respect of business travel with rental cars, by air or by train. The slight increase is due to the greater internationalisation of our business and the corresponding increase in employee travel.</p> <p>Emissions figures (link)</p>			
Aspect: supplier environmental assessment				
G4-EN33	<p><u>Significant negative environmental impacts in the supply chain</u></p> <p>During the reporting period we introduced our Supplier Code of Conduct. Suppliers signing it acknowledge their obligation to comply with legal regulations and to behave in an ethically appropriate manner. A responsible approach to the environment plays a particularly important role here. Suppliers are required at all times to conserve natural resources and to find and prioritise environmentally friendly solutions as far as possible. The Code of Conduct is publicly available on our website and forms part of our General Business Conditions. Existing business partners are also signing the Code, in a gradual process that initially focuses on partners with whom master agreements exist. In the case of new business partners or service providers, the Code of Conduct forms the basis of the business relationship.</p>		SR 2016, pp. 28-29	7-9
Other G4 indicators included in the report				
G4-EN1	<p><u>Materials used by weight or volume</u></p> <p>Consumption of office and copier paper during the year amounted to 186.21 tonnes. Because of a change in the calculation method, this figure is not comparable with the previous year.</p> <p>Paper consumption is the largest consumables item in terms of volume at Aareal Bank Group. We only use FSC- or PEFC-certified paper for printing brochures. The copier paper used is 100% carbon neutral, thanks to our support for the ClimatePartner project (the climate protec-</p>			7

	<p>tion project supported is Energy Efficiency, North Rhine-Westphalia, Germany).</p> <p>Environmental indicators (link)</p>			
G4-EN8	<p><u>Total water withdrawal by source</u></p> <p>As a result of weather conditions, our total water consumption of 24,483.62 m³ in 2016 was lower than in the previous year (27,636 m³). This is mainly due to a fall in the amount of watering needed at our head office in Wiesbaden.</p> <p>Environmental indicators (link)</p>		Source: public supply networks	7
G4-EN23	<p><u>Total weight of waste by type and disposal method</u></p> <p>In the reporting period, Aareal Bank Group produced 390 tons of waste (previous year: 319 tonnes). The total quantity of waste increased slightly, while we were able to maintain the proportion of recyclable waste at 50 % of the total. The increased quantity of waste is largely due to a process of streamlining our archiving (<i>destruction of obsolete archive documents</i>).</p> <p>Environmental indicators (link)</p>			
G4-EN29	<p><u>Fines and sanctions for non-compliance with environmental laws and regulations</u></p> <p>None</p>			
G4-EN30	<p><u>Significant environmental impacts of transport</u></p> <p>We have issued binding travel guidelines for all German sites. These require our employees to check before every business trip whether they actually need to travel and to consider alternative means of communication. Our employees must give priority to the use of modern telephone and video conferencing technology and webinars.</p> <p>In addition, Aareal Bank Group has prioritised environmentally aware choices when selecting company cars: its company car policy, which was modified in 2013, caps CO₂ emissions for new company cars and also sets an average upper CO₂ limit for the fleet as a whole. We also create incentives for employees to select vehicles that are as environmentally friendly as possible. For example, employees' own monthly contribution increases by € 4.00 for each 0.1 litre</p>			7

	<p>increase in consumption, regardless of the monthly lease payment, if fuel consumption exceeds the figures set out in the EU directives. For employees who prefer to use public transport to get to and from work, Aareal Bank makes a contribution to their annual public transport season tickets.</p> <p>Environmental indicators (link)</p>			
G4-EN34	<p><u>Formal grievances about environmental impacts</u></p> <p>None</p>			

Economic matters				
G4 DMA	<p><u>Management approach (aspect: economic performance)</u></p> <p>The 2016 Annual Report, in particular the Letter from the Management Board, deals with the business environment, general conditions, our business model and the results achieved during the reporting period (key indicators), as well as the “Aareal 2020 – Adjust. Advance. Achieve.” programme for the future and outlook. The disclosures therefore focus on direct value added, including additional relevant indicators (G4-EC3 and G4-EC4).</p>	✓	AR 2016, particularly pp. 39-41, 116/117	
Aspect: economic performance				
G4-EC1	<p><u>Economic value generated and distributed</u></p> <p>Part of our operating profit flows back into the general economy. The measurable direct value added (link) thus documents our importance to society as a public limited company that increases its shareholders’ capital, as an employer offering an attractive, competitive remuneration structure, as a public institution with obligations under supervisory law (banking levy, deposit protection fund, etc.), as a customer for business partners, service providers, suppliers, etc. (including legal, consulting and auditing costs, IT expenses and rental payments) and as a not insignificant taxpayer (see the table). Expenses for donations, sponsorships and memberships incurred in our capacity as a corporate citizen are reported separately. The value added in this way helps in turn to increase individual purchasing power and investment activity.</p>	✓	AR 2016, pp. 63-66, 148-150	

G4-EC3	<p><u>Defined benefit plan obligations</u></p> <p>Aareal Bank offers all of its employees a corporate retirement plan. Employees can also make additional pension contributions using a deferred compensation model. In addition, they can stock up their pensions further using capital formation contributions that are paid by the Bank. Aareon Group offers its employees an occupational pension based on a deferred compensation model.</p> <p>The Group's staff costs include payments of € 14 million (previous year: € 15 million) into defined contribution plans as well as expenses for defined benefit plans amounting to € 17 million (2016: € 20 million).</p>		AR 2016, pp. 149, 160-162	
G4-EC4	<p><u>Financial assistance received from government</u></p> <p>None</p>			