

# Declaration of conformity 2020

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## Landwirtschaftliche Rentenbank

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Indicator set

GRI SRS

Contact

Landwirtschaftliche Rentenbank  
Öffentlichkeitsarbeit

Nikola Steinbock and Ines Kefer

Theodor-Heuss-Allee 80  
60486 Frankfurt am Main  
Germany

+49 (0)69 2107-494  
+49 (0)69 2107-6447  
[ines.kefer@rentenbank.de](mailto:ines.kefer@rentenbank.de)



## Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI SRS

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# General

## General Information

Describe your business model (including type of company, products / services)

Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness and rural areas with a statutory promotional mandate. Due to its status as a central funding institution, it operates in a competitively neutral way at all times. Our range of products is geared towards businesses operating in the agriculture, forestry, viticulture and horticulture sectors, manufacturers of agricultural production resources, and enterprises and service providers which are closely connected to agriculture. In addition, we finance projects in the food industry and the associated upstream and downstream industries, across the entire value chain of food production. We also promote private initiatives and public-sector investments in rural areas. We attach particular importance to promoting innovation and sustainable investments including renewable energy.

Our promotional business involves providing special promotional loans to end borrowers via their local banks. We also refinance savings banks and local authorities which are connected to rural areas. Furthermore, we award grants for innovations and applied research projects, as well as for projects and institutions that are of particular importance to agribusiness and rural areas. Through its annual call for research papers, Rentenbank's foundation Edmund-Rehwinkel-Stiftung encourages research on current issues affecting agribusiness. In addition, the foundation provides grants to outstanding students (studying for their master's degree at a German university) who focus on agriculture or food sciences.

We fund our promotional business in the capital markets by issuing securities and raising loans. Rating agencies have assigned their highest ratings (AAA and Aaa) to Rentenbank's long-term obligations.

Rentenbank was established in 1949 as a central funding institution with a statutory promotional mandate. Rentenbank's founding capital was raised through a public charge imposed on agricultural land in Germany from 1949 to 1958. The Bank is a federal institution under public law with its registered office in Frankfurt am Main. The Federal Republic of Germany guarantees for the Bank's liabilities and bears the institutional liability.

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Rentenbank is subject to banking supervision by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and the Bundesbank. Legal supervision is exercised by the Federal Ministry of Food and Agriculture (BMEL), acting in concert with the Federal Ministry of Finance (BMF). Rentenbank is a member of the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands e.V., VÖB) and of the European Association of Public Banks (EAPB).

# CRITERIA 1–10: SUSTAINABILITY POLICY

## Criteria 1–4 concerning STRATEGY

### 1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

As Germany's development agency for agriculture and rural areas, Rentenbank bears a special responsibility for its sustainable development.

In fact, the term 'sustainability', in the sense of the continuous use of ecological resources, was coined within German forestry in the 18th century and has been part of Rentenbank's DNA ever since.

Significant aspects of ecological sustainability were explicitly enshrined in the [Governing Law of Landwirtschaftliche Rentenbank](#) (LR-Gesetz) in 2005. Accordingly, they can be found in our promotional offering. This includes environmental protection within agribusiness, the promotion of renewable energy and regenerative agricultural raw materials, the expansion of organic farming, animal welfare within agriculture, the improvement of infrastructure in rural areas, and consumer protection within agribusiness (LR-Gesetz Section 3, 3-5). As a federal public law institution with a statutory promotional mandate, Rentenbank is dedicated to the common good. Distributable profit is solely used for promotional purposes, too.

Rentenbank has been working on an integrated sustainability strategy based on Agenda 2030 (the United Nations Sustainable Development Goals) since 2020.

#### **Areas of activity**

Rentenbank's business and sustainability strategies are closely linked. While ESG (environment, social and governance) criteria are being integrated into its core business, Rentenbank is focused on the following areas of activity:

1. **Sustainable corporate governance:** Sustainability strategy and management, communications and stakeholder engagement, corporate governance and corporate citizenship

2. **Sustainable banking:** ESG integration in funding, capital market and risk management
3. **Sustainable HR management:** Creating an attractive working environment, HR management, increasing and developing staff
4. **Sustainable banking operations:** Operational ecology, sustainable procurement

### **Key standards and objectives**

Rentenbank bases its sustainability strategy on a raft of sustainability-oriented standards and objectives.

- Rentenbank subscribes to the **UN Sustainable Development Goals (SDGs)**, which is the internationally recognised framework for sustainable development, and to the aims of the **Paris Climate Agreement** for reducing global warming (cf. materiality, criterion 2).
- Rentenbank is committed to national and international initiatives which contribute to sustainable development. Therefore, Rentenbank subscribes to the United Nations Universal Declaration of Human Rights. Within its sphere of influence, Rentenbank respects and protects the universal human rights and the core labour standards of the International Labour Organization (ILO) (cf. [ILO Declaration on Fundamental Principles and Rights at Work](#)).
- As a member of the International Capital Markets Association, Rentenbank conforms with **ICMA Green Bond Principles** and is making a contribution to further developing the market for sustainable issuances.
- The comprehensive compliance with legal and internal requirements for the **Prevention of Fraud and Corruption** and **Prevention of Money laundering** is a mandatory prerequisite for the Bank's successful operations.

## 2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

In January 2020, Rentenbank introduced a materiality analysis in order to identify, evaluate and prioritise relevant sustainability issues. During this review, both the impacts of Rentenbank's business activity on sustainability (inside-out perspective) and the impact of sustainability on Rentenbank business activities (outside-in perspective) were analysed.

### **Inside-out perspective (business activity impacts)**

The promotional business division at Rentenbank has the greatest impact on the environment and society. As a result, our promotional business is defined as a key issue for sustainability. With the help of SDG flagging, Rentenbank has disclosed the contributions it has made to promoting sustainable development and how its promotional business can be made even more sustainable. These reference points from within our statutory mandate and its implementation relate to the following SDGs:

SDG 2 (end hunger, achieve food security and improved nutrition and promote sustainable agriculture):

- Promoting agricultural environmental protection
- Expanding organic farming

SDG 7 (ensure access to affordable, reliable, sustainable and modern energy for all):

- Promoting renewable energy in agriculture and rural areas

SDG 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation):

- Improving infrastructure in rural areas
- Promoting agriculture-related innovations

SDG 12 (ensure sustainable consumption and production patterns):

- Promoting regenerative raw materials and bioeconomy
- Improving animal welfare in agriculture
- Promoting consumer protection in relation to agricultural products

SDG 13 (take urgent action to combat climate change and its impacts):

- Promoting resilience and adaptability to climate-oriented risks and natural disasters in agriculture and forestry
- Promoting renewable energy in agriculture and rural areas
- Promoting energy-efficient and low-emission technology in forestry and agribusiness
- Promoting reforestation

SDG 15 (protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss):

- Preserving and protecting forests and promoting sustainable forestry
- Promoting sustainable use of rural eco-systems and preserving biodiversity

#### **Outside-in approach (opportunities and risks)**

A risk inventory is used to obtain a structured overview of all risks that have a



negative impact on Rentenbank's net assets, capital resources, results of operations, or liquidity situation. Opportunities and risks resulting from changes within environmental, social and governance (ESG) risk are also considered here. However, sustainability risks are not a standalone type of risk. Rather they are a part of other types of risks that are already known (drivers of risk). The impact of sustainability risks on the risk-bearing capacity has already been assessed by means of scenario analyses. Several projects dealing with ESG opportunities and risks are in progress.

Rentenbank currently sees the greatest *outside-in risks* in **climate-change related risks**.

*Opportunities* for Rentenbank from sustainability issues are in the following areas:

- **Product innovations** such as the emission of green bonds or the introduction of new promotional products
- **Accompanying of the statutory promotional mandate** through increasing solid backing in society for issues such as the sustainable development of agriculture and the expansion of renewable energies (modernisation and development of climate and environmentally-friendly technologies and cultivation methods)
- Sustainability as a **positive factor in our recruitment** of qualified new employees.

Rentenbank has developed its Sustainability framework plan by consolidating the risk assessment, the inside-out approach and the opportunity analysis (cf. objectives, criterion 3).

### 3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

Rentenbank has developed a sustainability programme in order to more deeply entrench sustainability in its management, its banking, banking operations and HR management in the future. Here, management issues of great importance to the Bank's business model (outside-in) and significant socio-environmental impact (inside-out) have been prioritised. The following objectives are to be implemented as part of Rentenbank's sustainability programme in the medium term. However, due to the far-reaching effect along the value chain, our focus is on the development of sustainable banking and governance:

#### **Sustainable corporate governance:**

- Further development of guidelines and standards that are applicable

company-wide and related to sustainability

- Expanding the management structures to include sustainability management across the entire bank
- Enhancing stakeholder communications on sustainability issues
- Expanding reporting on sustainability Implementing regulatory requirement in relation to sustainability

#### **Sustainable banking:**

- Review of current funding in relation to sustainable impacts
- Promoting and expanding funding with positive sustainable impacts
- Taking sustainable criteria into account in our loans portfolio
- Expanding our sustainable financial investment offering (such as green bonds)
- Entrenching ESG risks in the risk inventory und risk reporting in a systematic way

#### **Sustainable banking operations and HR Management:**

- Consideration of aspects relating to sustainability during the renovation of our building
- Sustained reduction in the use of resources and emissions
- Promoting an attractive working environment
- Supporting the personal and professional development of our employees

As part of the on-going ESG projects, the medium-term objectives of our sustainability programme up to the end of 2021 have been defined by the Management Board. The Board has also scheduled the objectives and paired them with measurable indicators in the business strategy.

#### **Responsibilities**

The overall responsibility for the strategy on sustainability lies with the Management Board. The steering committee monitors and oversees its sustainability activities. The steering committee consists of two members of the Management Board and managers from our Promotional Business, Treasury, Economics and PR, Risk Controlling, and Facilities Management. The activities are being set in motion by our sustainability team, which consists of members from all relevant organisational units. The coordination of the key sustainability strategy is located in the PR and Economics department, where this issue is being progressed by our Sustainability Officer. She coordinates the cross-departmental collaboration within the ESG team and the steering committee.

#### **Relationship with the United Nations SDGs**

Rentenbank has introduced SDG flagging to ascertain which significant positive SDG contributions it can make (cf. criterion 2, Materiality). As a next step, input indicators (funding volume) are to be implemented for specific SDGs from now on.

## 4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

As a development agency, there are four points of contact in Rentenbank's value chain which are of particular importance:

- Collaboration with the Federal Ministry of Food and Agriculture (BMEL) as part of our special promotional loans business
- Collaboration with local banks through which loans at favourable rates are granted to end borrowers
- Collaboration with green bond partners and investors for sustainable investment
- The sourcing of products and services for our banking operations

### **Collaboration with ministries**

As Germany's development agency for agribusiness and rural areas with a statutory promotional mandate, the BMEL's upfront requirements regarding the conditions for the granting of loans are of prime importance to Rentenbank. Rentenbank is in regular contact with ministries regarding the contribution it can make in the processing of the federal programmes and the creation of its own promotional programmes, which contribute to the sustainable development of agriculture and rural areas.

### **Collaboration with local banks**

Rentenbank operates as a central funding institution. It awards promotional loans at favourable rates and on a competitively neutral basis through 'on-lending' via local banks. This specifically means that Rentenbank promotional loans are granted to end borrowers via their local banks, which ultimately get the funding from Rentenbank. This presents a challenge for Rentenbank because it does not have any direct contact with end borrowers the way its value chain is structured. However, our special promotional loans are of crucial importance to Rentenbank's value chain because they have a direct impact on the sustainable development of agriculture and rural areas. Therefore, Rentenbank is engaged in intensive discussions with major banks about how data gathering and monitoring on the level of investment and/or the end borrower can be improved upon. Furthermore, Rentenbank supports communication about sustainability between local banks and end borrowers by providing the leaflet entitled 'Sustainable Investments', where the favourable rates offered by Rentenbank are explained.

### **Sourcing of products and services**

Rentenbank endeavours to incorporate environmental protection into its

business operations as much as possible and to use environmentally-friendly technologies. We take ecological and ethical aspects into consideration when we make decisions on suppliers and service providers. This includes the fact that Rentenbank does not enter into any transactions which could have a detrimental effect on its reputation.

Various suppliers provide the Bank with the necessary goods and services. As a non-producing company, our value chain principally spans the following product groups solely for the operation of our banking business in Frankfurt am Main as the only site (cf. criterion 11 for further details):

- HR services Facilities Management including energy sources, office furniture and plants
- Electric devices/IT
- Office supplies
- Fleet Marketing and Communications
- Food for the Bank's catering facilities

The review of suppliers' ecological and social standards is restricted to tier 1 based on seals and reputation.

As an authority contracting within the realms of its status as a public law institution, Rentenbank is obliged to formally tender contracts above certain thresholds within the EU and to abide by the principles of transparency, nondiscrimination and competition in the process.

Under criterium 10 (Innovation and Product Management) we explain how we observe sustainability aspects in our promotional and investment business.

## Criteria 5–10 concerning PROCESS MANAGEMENT

### 5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

The overall responsibility for the strategy on sustainability lies with the Management Board.

The steering committee monitors and oversees its sustainability activities. The steering committee consists of two members of the Management Board and managers from our Promotional Business, Treasury, Economics and PR, Risk Controlling and Facilities Management. The activities are being set in motion by our ESG team, which is made up of members from all relevant organisational units.

The coordination of the key sustainability strategy is located in the PR and Economics department, where this issue is being progressed by our Sustainability Officer. She coordinates the cross-departmental collaboration within the ESG team and the steering committee.

### 6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

The steering committee serves the divisional and departmental discourse and the management and further development of sustainability initiatives in corporate governance, banking business, banking operations and HR management. The steering committee has regular meetings.

Under the guidance of the Sustainability Officer, the ESG team entrenches sustainability activities in all organisational units. The ESG team is subdivided into various issue-related work groups which tend to be cross-divisional and cross-departmental:

- Sustainability within Promotional Business
- Sustainability within Capital Markets and Risk Management

- Operational ecology and sustainable procurement
- Sustainability within communications (including stakeholder engagement)

The working group and the entire ESG team are developing proposals for decisions to be taken by a steering group and the Management Board, with particular regard to quantitative objectives and the embedding of management systems.

Rentenbank has set a [Code of Conduct](#) for all its staff. This forms the cornerstone of a legally compliant and ethically-oriented, sustainable corporate culture and is further supplemented by specific policies and internal rules for preventing criminal activities or accepting gifts and invitations. Employees can peruse all relevant policies posted on the Bank's intranet.

## 7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

In order to control the implementation of the objectives of our sustainability programme and to be able to review the process, an appropriate set of indicators is to be developed for each of the four areas by the end of 2021. The data are being gathered from each of the respective organisational units and incorporated into the existing management system. In order to validate and carry out quality checks on the data, Rentenbank consistently applies (as with all data) the dual control principle and carries out control and quality tuning. The following indicators are currently being planned:

### **Sustainable management**

- Rentenbank's results in relevant sustainability ratings
- Overall number and type of sanctions due to non-compliance with laws or regulations in social or economic questions
- Overall number and type of confirmed incidents of corruption

### **Sustainable banking**

- Amount and proportion of sustainable loans within our new promotional business in special promotional loans
- Percentage of new promotional business in registered bonds, promissory notes and securities which have a positive or negative impact review according to environmental or social factors

### **Sustainable banking operations**

- Gross volume of our direct and indirect greenhouse gas emissions
- Changes to the consumption of resources
- Amount and purpose of donations

#### **Sustainable HR management**

- Number of participants in the mentoring programme
- Number of participants in the management team programme
- Number of participants in the trainee programme
- Employee turnover
- Number of cases of discrimination
- Number of women in managerial positions
- Average number of hours per employee for training

## Key Performance Indicators to criteria 5 to 7

### Key Performance Indicator GRI SRS-102-16: Values

The reporting organization shall report the following information:

- a.** A description of the organization's values, principles, standards, and norms of behavior.

Since June 2012 Rentenbank has had a guiding principle in place which provides an orientation for a framework for action and the Bank's basic principles for ethical and sustainable conduct. We subscribe to a sustainable development of agriculture and rural areas, the promotion of our own value creation, and social engagement as an employer and good corporate citizen. Rentenbank's guiding principle contains the following promises and convictions:

- Customer focus: The interests of the end borrower are the focus of our work.
- Efficiency: We work with costs in mind and using the best process possible.
- Expertise: We know what we are doing in agribusiness and funding of agricultural projects
- Prudence: We protect our promotional activity by taking risks with utmost caution.
- We take responsibility.
- We act with respect.
- We base our relationships on trust.
- We promote commitment through participation and transparency.

Our [code of conduct](#) requires all our employees to act in a lawful and sustainable way, as well as with integrity. Furthermore, the code clarifies the

ban on bribery and corruption and how to deal with invitations, gifts and other such benefits. Rentenbank also has guidelines on data protection and the prevention of corruption and other crimes as well as money laundering and funding of terrorism. All employees are trained on the content of these guidelines on an annual basis.

Rentenbank's 'Guidelines for management and cooperation' reflect the basic principles for a respectful and appreciative collaborative environment.

## 8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

All employees and the Management Board at Rentenbank are paid using fixed remuneration. The remuneration system does not contain any incentives to undertake any transactions or to take any risks outside Rentenbank's existing statutory framework. Due to the fact that remunerations are fixed, there are no sustainability objectives in the remuneration system. Instead, the priority is the fulfilment of the promotional mandate.

Rentenbank's risk-averse business model, its public law status, its statutory promotional mandate and its competitive neutrality are also reflected in the Bank's remuneration system.

The Members of the Management Board are remunerated in accordance with Rentenbank's remuneration system and in line with their responsibilities. The following is an excerpt of Section 3 (6) and is enshrined in Rentenbank's articles of association with regard to the amount of the Management Board's remuneration: "The total remuneration of the individual members of the Board of Managing Directors shall be in line with their functions and the Bank's financial position. The remuneration amounts shall be set by the Board of Supervisory Directors upon the proposal of the Remuneration Committee."



## Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Remuneration policies

The reporting organization shall report the following information:

- a.** Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
  - i.** Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
  - ii.** Sign-on bonuses or recruitment incentive payments;
  - iii.** Termination payments;
  - iv.** Clawbacks;
  - v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.
  
- b.** How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

Appointment bonuses (sign-on bonuses) are not paid as a rule.

Severance pay is granted in specific cases in accordance with established criteria. There is no differentiation in the criteria according to employee hierarchy/role.

Clawbacks are not applied due to the purely fixed remuneration system.

Retirement benefits: Our employees receive employer-financed pension benefits (defined benefit pension schemes) from the (Bank's) relevant pension scheme applicable on joining. Longer-standing commitments are based on salary whereas newer commitments are contributions-based. No further differentiation between certain employee groups is made based on either defined benefit pensions or on contributions. There is a different regulation for members of the Management Board: They receive individual contracts, individual commitments which are each determined by pensionable salary components and length of service.

Within the context of the guideline on deferred compensation, members may waive portions of the fixed remuneration and may convert them into retirement benefit entitlements of an equivalent value. There is no distinction between employee groups.

The members of the Supervisory Board (the uppermost controlling body)

receive an appropriate remuneration and payment for meetings. The following is from Rentenbank's articles of association Section 12 (1) with regard to the amount: "Remuneration of the members of the Board of Supervisory Directors including remuneration for attendance at meetings shall be set in a resolution by the General Meeting; the resolution shall be approved by the Supervisory Authority. The remuneration shall account for the responsibility and scope of functions of the members of the Board of Supervisory Directors and the Bank's financial position. Chairmanship and deputy chairmanship in the Board of Supervisory Directors and chairmanship and membership in the committees are to be taken into account."

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio

The reporting organization shall report the following information:

**a.** Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

The remuneration system is disclosed every year. It was most recently disclosed in the 2020 Disclosure Report in accordance with the Remuneration Regulation for Institutions (Institutsvergütungsverordnung).

Half of our employees are paid in line with collective pay agreements (as of 31 December 2020), while the other half are employees that are salaried above the tariff wage-scale.

Details about the remuneration of the members of the Management Board and the Supervisory Board are published every year in the Annual Report. Information on the remuneration of the Management Board and the Supervisory Board may be found on pages 71 and 72 of the [2020 Annual Report](#).

Individual employee salaries are protected as confidential information at Rentenbank, so submission for statistical purposes is limited.

## 9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Rentenbank is in continuous dialogue with all stakeholders relevant to our business. A communications work group identifies stakeholders through an analysis of our stakeholders containing the following questions:

- Who can exert influence over the success of Rentenbank?
- Who is involved in core business at Rentenbank?
- Who is impacted by Rentenbank's activities?
- Who has a stake in Rentenbank?

The communications work group has generated the following outcomes, which were approved by the Management Board:

- Local banks and intermediaries, promotional banks at federal state level
- End borrowers
- Ministries (BMEL, BMF)/policymakers
- Chambers and associations
- Internal and external committees
- Employees
- Suppliers and service providers
- Investors/analysts/issuers
- Rating agencies (credit and sustainability ratings)
- Universities
- The General Public

Key communication channels with stakeholders can consist of discussions with banks, client events, meetings of the Management Board and General Meeting, specialist events and exhibitions as well as PR activities (press releases, website, annual reports, presentations, and surveys). Outcomes from dialogues with stakeholders are discussed by our experts in work groups and any action points are submitted to the steering committee.

In 2020, Rentenbank got in touch with its stakeholders regarding sustainability via the following communication channels:

- The consultancy 'Lust auf besser leben gGmbH' and the Institute for Responsible Investments (NKI - Institut für nachhaltige Kapitalanlagen GmbH) held workshops on various sustainability issues in 2020, at which members of the Management Board participated.
- Information on Sustainable Finance and on our ESG project as part of internal committee meetings (Supervisory Board and General Meeting)
- Collaboration with external bodies (e. g. Sustainable Finance Commission at the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands))
- Bilateral exchange with key stakeholders (e. g. ratings agencies and associations)
- Extension of the information published on our website on how we achieve our sustainability goals
- Workshops and informative events for employees regarding our ESG

project

- Presentation of our promotional offering at the BIOFACH exhibition in Nuremberg and at the second 'Suderburger Dorftag' held by Ostfalia University of Applied Sciences, Wolfenbüttel
- Taking part in online conferences such as 'innovate! X', a forum for startups in agribusiness to network with established companies, or the Digital Farming Conference, where digital solutions for improvements in animal welfare, climate protection and sustainability in agriculture were discussed
- Guest speakers at numerous universities

As part of Rentenbank's ESG projects, we monitor how our stakeholders' needs and ideas can be better captured and how the participation process can be expanded. The continuous communication with its stakeholders boosts the development of our sustainability strategy. Rentenbank gains from the knowledge and experience of its stakeholders and faces up to critical issues.

## Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

**a.** Key topics and concerns that have been raised through stakeholder engagement, including:

**i.** how the organization has responded to those key topics and concerns, including through its reporting;

**ii.** the stakeholder groups that raised each of the key topics and concerns.

After an intensive exchange with our stakeholders, we have come to the conclusion that sustainability in the sense of durable economic use of natural resources for the long term has always been at the heart of Rentenbank's promotional mandate and its business model. In view of the current regulations and new requirements e.g. from investors and ESG ratings agencies, we are now focusing on making these activities more systematic and defined in addition to ramping up our communications in line with recognised standards.

To this end, we initiated an ESG project across the entire bank. Two members of the Management Board and Management Team from all relevant organisational units are in the steering committee.

Measures we have implemented at the instigation of our stakeholders include the development of a Green Bond Framework and the issuance of our

Benchmark Green Bond, the (voluntary) publication of our non-financial report (as a precursor to this Sustainability Declaration and a planned independent Sustainability Report), an updated version of our code of conduct for employees with increased focus on sustainability issues and its publication, as well as the increase in the amount of information relating to sustainability issues available on our website.

## 10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

### **Promoting sustainability within Rentenbank's special promotional loans business**

We support sustainable investments in agriculture with special promotional programmes and an interest rate bonus (best rates). As part of our Sustainability, Forestry and Environmental and Consumer Protection programmes, we support a broad spectrum of measures to improve animal welfare and energy efficiency, and to reduce emissions. These programmes aim to promote organic farming, sustainable forest management, such as restructuring forests into mixed forests which are suited to climate change, and the direct or regional marketing of agricultural products. Our Rural Energy promotional programme promotes the expansion of renewables. We focus on promoting investments made by farmers in wind and photovoltaic power stations and biogas plant funding and community wind farms in rural areas. Quantitative effects from our special promotional loans business for the end borrower are currently not collated as local banks are in contact with the end borrowers. However, we are working with scientific partners on a system which could collate and assess such impacts, such as cost savings effects through the switch from old to new machinery. Impacts on our special promotional loans business are captured and categorised qualitatively into SDG categories (cf. criterion 2)

### **Promoting innovation**

Innovation and technical progress are key to tackling the challenges agribusiness faces in becoming more sustainable. These factors will safeguard the sector's competitiveness and, at the same time, facilitate the careful use of resources, particularly where more stringent standards are being imposed regarding animal welfare, product quality and environmental protection. That

is why we support the entire innovation process from development to delivery and the wider use of these innovative processes and products.

The innovative projects we financed in 2020 include those which are aimed at improving animal welfare, increasing the use of state-of-the-art mechanical weed control with the aim of reducing the use of pesticides, increasing the biodiversity of agricultural landscapes, and reducing microplastics. Further information and examples of projects we support are outlined in our [Annual Report](#).

### **Commitment to climate and species protection through ecological forest management**

We also initiate and undertake projects which make an important contribution to sustainability and climate protection. This is in addition to our special promotional loans business and our focus on sustainability in our promotion of innovations. Our innovation projects are making an important contribution to sustainability and are closely linked to agriculture, forestry and rural areas.

Rentenbank's forest project, which started in 2016 in collaboration with the Institute for Federal Real Estate (Bundesanstalt für Immobilienaufgaben, BImA), is such an example. The long-term ecological cultivation of 550 hectares of forest in the district of Wetterau in Hesse is at the heart of a framework agreement. In addition, BImA runs several projects on this land to further enhance habitats. Six projects have already been launched. The achievements made so far were awarded the 'Tree of Diversity' prize on 13 October 2020 as a 'UN Decade Project'.

### **Innovations for sustainable funding**

Rentenbank issued its first EUR 50 million Renewable Energy Bond back in 2013. Since then, the Bank has established a close connection between its sustainable promotional programmes and its funding on the international capital markets with additional issuances of green bonds.

Rentenbank issued its first public Green Bond in autumn 2020. We allocated the benchmark bond's entire issuance volume of EUR 1.75 billion to promoting renewable energy. Rentenbank's Green Bond Framework is consistent with the ICMA Green Bond Principles (International Capital Market Association). The Framework is backed by a loan portfolio which currently comprises more than 2,000 financed wind power projects and around 21,500 financed photovoltaic projects. These investments are mostly carried out by agricultural companies. In 2020 alone, the Center for Solar Energy and Hydrogen Research (Zentrum für Sonnenenergie- und Wasserstoff-Forschung Baden-Württemberg, ZSW) calculated a saving in CO<sub>2</sub> of almost 5 million tonnes through the investments we supported within the loans portfolio in our Green Bond Framework.

### **Credit portfolio**

In addition, Rentenbank provides funding for other banks, savings banks, cooperative banks and local authorities operating in rural areas through registered bonds, promissory notes and securities. It is purely a portfolio of bonds. Rentenbank's risk policy requires a prudent selection of business partners and products in all business activities, although in accordance with its core competencies, Rentenbank focuses on banks and public sector borrowers. Transactions with banks or other counterparties which could harbour major risks to Rentenbank's reputation are not entered into.

#### **Involvement of additional actors for innovation and product management**

At workshops, seminars and presentations, we present our promotional offering to our business partners, borrowers and advisers on agricultural matters at banks and savings banks. Our training sessions at commercial banks, federal states' development banks (Landesförderinstitute) and intermediary institutes are received with keen interest.

## Key Performance Indicators to criteria 10

### Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening. (Note: the indicator should also be reported when reporting to GRI SRS)

We do not currently monitor a percentage of assets subject to positive and negative environmental or social screening.

Rentenbank is in the process of reviewing how it can more tightly integrate ESG criteria in the future.

## Sector Supplements

### Volumes of promotional programmes

#### **Volumes of promotional programmes**

In the 2020 reporting year, we funded investments in environmental, animal and consumer protection in the amount of EUR 337.3 million in total (EUR 321,0 million in 2019). This includes investments in organic farming that amount to EUR 83.6 million (EUR 84.0 million in 2019). A funding volume of EUR 81.7 million has been put towards investments in humane systems of animal husbandry (EUR 118.8 million in 2019). We funded sustainable

initiatives totalling EUR 1.2 billion (EUR 1.2 billion in 2019), which included our funding for renewable energy. As a result, a fifth of our new business in special promotional loans went into sustainable investments at our best rates.



## Criteria 11–20: Sustainability Aspects

### Criteria 11–13 concerning ENVIRONMENTAL MATTERS

#### 11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

Rentenbank is committed to using natural resources carefully. Negative impacts on the environment should be avoided if possible, consumables should be used efficiently and resources should be acquired from regenerative or sustainably managed sources.

##### **Energy**

In 2020, Rentenbank used 102.783 m<sup>3</sup> of gas (133,315 m<sup>3</sup> in 2019), 723,364 kWh of electricity (833,260 kWh in 2019) and 23,032 l of heating oil (16.581 l in 2019).

##### **Paper**

In 2020, Rentenbank used 1,178,000 pages of photocopy paper (1,433,300 pages in 2019), 60,000 padded envelopes C4, C5, C6/5 and B4 (58,000 in 2019), 12,000 rolls of toilet paper (13,000 rolls in 2019); 384 rolls and 1,110 packets of rolls and folded towels (630 rolls and 555 packets in 2019).

##### **Water and sewage**

Rentenbank is making an effort to continually reduce water consumption. All our water intake is from the local water supply. We use the existing public infrastructure for our waste water.

We were able to reduce our water consumption from 5,648 m<sup>3</sup> in 2019 to 3,346 m<sup>3</sup> in 2020. Per capita consumption in 2020 was 9.755 litres, so theoretically each employee used 48% less water. However, significantly fewer employees were present in our building due to the COVID-19 pandemic. A large part of the reduction may be attributed to this. Savings in comparison with 2019 will also be made in the future due to the modernisation of our building.

Rentenbank disposes of its waste water into the public sewage infrastructure. This consists of household waste water.

#### **Fuels used by our fleet**

Rentenbank makes use of 13 fleet vehicles. In 2020, we are pleased to say that there was a reduction in fuel consumption of 17% (5,513 l motor fuel in 2020; 6,618 l motor fuel in 2019). Nevertheless, the main driver for this reduction was the COVID-19 pandemic, therefore we cannot reckon with a consistently low level in the future.

#### **Refuse**

We did not have any hazardous waste. Non-hazardous waste such as non-recyclable waste, organic waste or packaging increased compared to the previous year (93.87 t in 2019, 115.43 t in 2020). The proportion of paper, cardboard and cardboard boxes increased from 16.5% in 2019 (15.54 t) to 29.19% in 2020 (33.7 t). The increase is due to the move and the associated disposal of old documents.

## 12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

Rentenbank's banking operations at its sole site in Frankfurt am Main with its comparatively low number of employees have a minimal impact on the environment. Nevertheless, Rentenbank strives to constantly reduce its ecological carbon footprint. Rentenbank is implementing internal measures to continually improve its resource management through its environment programme.

One of Rentenbank's core objectives within its operational protection of the environment is to considerably reduce the consumption of energy. Since autumn 2020, Rentenbank has been embarking on a comprehensive modernisation, expansion and energy-oriented refurbishment of its listed building. We have set ourselves the goal of preserving our architectural monument, which was built in the 1950s and which will create a striking architectural ensemble for many years to come. The main style-defining elements of the building, such as the contemporaneous 'flying roof', the structured natural stone facade and the open stairwell, will all remain intact. Despite the special challenges involved with the refurbishment of our listed

building, we have been attaching great importance to energy efficiency and efficient consumption of resources during the planning stage.

Paper counts among one of the most important consumer goods used by a bank. Rentenbank is succeeding in its efforts to reduce consumption. It is sensitising employees to the environmental impact of the use of paper and digitalising paper-based processes. Due to this digitalisation, Rentenbank has reduced its consumption of photocopy paper by around 18% in 2020, compared with 2019.

Only certified photocopy paper (FSC and a small proportion of the ecolabel Blauer Engel) and certified envelopes (FSC) are used. In the case of publications printed externally, only FSC-certified paper is used, i. e., no ECF, TCF or elementary chlorine-bleached paper is used. To this effect, we furthermore only work with printers who use carbon-neutral materials – an additional contribution to Rentenbank's carbon neutrality. We only use hygiene products made from recycled materials.

Rentenbank will be switching its fleet over to electric vehicles over the next few years. For this reason, we have installed a charging station at our company parking lot in 2020. In 2021, we will be putting a second charging station into operation.

We have planned the following specific measures for 2021:

- Further developing Rentenbank's environment programme with a schedule of objectives
- Switching our banking operations to 100% green electricity from renewable energy from 1 January 2021 onwards
- Review of the purchasing guideline with stronger ESG principles
- Expanding electromobility
- Sensitising employees to the environmental impact through enhanced internal communications about sustainability

Due to our move and the COVID-19 pandemic, Rentenbank will likely be able to first generate reliable figures for the 2022 financial year as a basis for the interim building at Theodor-Heuss-Allee. By the time we move back to our building at Hochstraße, we aim to have started identifying potential savings in our banking operations and optimising our business processes in manners which preserve resources. Defining quantifiable target values for the renovated building at Hochstraße is then to take place in the first year after we have moved back and when we will be able to make an initial basic assessment.

#### **Additional measures**

In 2020, a working group within Rentenbank was set up for operational ecology and procurement. The working group and the entire ESG team are looking at proposals for a decision to be taken by the steering committee and

the Management Board, with particular regard to quantitative objectives and the embedding of management systems.

When we purchase office supplies, we pay attention to the sustainability standards of paper. As a result, a major proportion of the office supplies are made from recycled and sustainable materials.

In our internal catering, we buy food which is in season and locally sourced. It is of particular importance to the Bank to be able to offer its employees healthy and sustainable dishes at appropriate prices. In autumn 2020, we also installed a new conveyor dishwasher with a special low energy and water consumption feature so we could make our catering even more sustainable.

#### **Risks**

The use of resources in Sustainable Banking is limited to normal office use. As we know all our suppliers, no risks were identified here. Within Sustainable Banking, risks do arise in our special promotional loans business which could have a negative effect on resources and ecosystems (cf. materiality analysis).

## Key Performance Indicators to criteria 11 to 12

Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

**a.** Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

**i.** non-renewable materials used;

**ii.** renewable materials used.

Consumption of photocopy paper 2019; 1,433,300 pages 2020; 1,178,000 pages

Use of padded envelopes C4, C5, C6/5 and B4 2019; 58,000 items 2020; 60,000 items

Toilet paper 2019; 13,000 rolls 2020; 12,000 rolls

Roll towels and folded towels 2019; 630 rolls and 555 packages 2020; 384 rolls and 1,110 packages

Cf. criterion 11

Key Performance Indicator GRI SRS-302-1: Energy consumption  
The reporting organization shall report the following information:

**a.** Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

**b.** Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

**c.** In joules, watt-hours or multiples, the total:

**i.** electricity consumption

**ii.** heating consumption

**iii.** cooling consumption

**iv.** steam consumption

**d.** In joules, watt-hours or multiples, the total:

**i.** electricity sold

**ii.** heating sold

**iii.** cooling sold

**iv.** steam sold

**e.** Total energy consumption within the organization, in joules or multiples.

**f.** Standards, methodologies, assumptions, and/or calculation tools used.

**g.** Source of the conversion factors used.

102,783 m<sup>3</sup> gas (calculated at conversion factor 0.9608 and average heating value of 11,36171 in 2020)

23,032 l heating oil

4910 l petroleum (car)

602 l diesel (car)

723,364 kWh electricity consumption

The use of cooling agents is negligible and is therefore not captured.

Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

The reporting organization shall report the following information:

**a.** Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

**b.** Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

**c.** Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

**d.** Standards, methodologies, assumptions, and/or calculation tools used.

	Gas	Electricity	Petroleum	Diesel	Heating oil
2020	102.783 m <sup>3</sup> (4.214.103 MJ)	723.364 kWh (2.604.110 MJ)	5.393 l (175.216 MJ)	1.225 l (43.825 MJ)	23.032 l (866.003 MJ)
2019	133.315 m <sup>3</sup> (5.465.915 MJ)	833.260 kWh (2.999.736 MJ)	4.910 l (159.540 MJ)	602 l (21.568 MJ)	16.581 l (623.446 MJ)

In 2020, overall energy consumption was at 7,903,257.2 MJ (9,270,203.6 MJ in 2019). Overall energy consumption in 2020 fell by 1,366,946.4 77 MJ, compared with 2019.

The prior year of 2019 was selected as a base year, in which all required indicators were captured. We used the conversion table at <https://www.energie-umwelt.ch/tools/835-einheiten-umrechner-fuer-verschiedene-heizenergie> to convert m<sup>3</sup> of gas, heating oil in litres and kWh of electricity into Joules.

We used the conversion table at <https://www.umrechnung.org/masseinheiten-energie-umrechnen/einheiten-umrechner-energie-energy.htm> to convert kWh of electricity into Joules.

We used the conversion table at <https://bdb.de/daten/umrechnung-und-formeln> for the heating value to convert the fuel used by our cars into Joules.

Key Performance Indicator GRI SRS-303-3: Water withdrawal  
The reporting organization shall report the following information:

- a.** Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i.** Surface water;
  - ii.** Groundwater;
  - iii.** Seawater;
  - iv.** Produced water;
  - v.** Third-party water.
  
- b.** Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i.** Surface water;
  - ii.** Groundwater;
  - iii.** Seawater;
  - iv.** Produced water;
  - v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.
  
- c.** A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
  - i.** Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids);
  - ii.** Other water ( $> 1,000$  mg/L Total Dissolved Solids).
  
- d.** Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Cf. criterion 11: All our water intake is from the local water supply. We use the existing public infrastructure for our waste water.

We were able to reduce our water consumption from 5,648 m<sup>3</sup> in 2019 to 3,346 m<sup>3</sup> in 2020. Per capita consumption in 2020 was 9.755 litres, so theoretically each employee used 48% less water. However, significantly fewer employees were present in our building due to the COVID-19 pandemic. A large part of the reduction may be attributed to this. Savings in comparison with 2019 will also be made in the future due to the modernisation of our building.

Rentenbank disposes of its waste water into the public sewage infrastructure. This consists of household waste water.

Key Performance Indicator GRI SRS-306-3: Waste generated  
The reporting organization shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and how the data has been compiled.

**Refuse**

No hazardous waste was accrued. The overall weight of non-hazardous waste in 2020 amounted to 115.43 t.

Rentenbank has a certified waste disposal firm collect, transport and, if at all possible, recycle its refuse. When granting its contracts, it checks that the distances involved in transporting the waste are as short as possible.

Non-hazardous waste such as non-recyclable waste, organic waste or packaging increased versus the previous year (93.87 t to 115.43 t). The proportion of paper, cardboard and cardboard boxes increased from 16.5% in 2019 (15.54 t) to 29.19% in 2020 (33.7 t). The increase is due to the move and the associated disposal of old documents.

## 13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Rentenbank subscribes to the goals of the UN climate conference in Paris 2015 (COP 21), which aims to limit global warming to significantly below 2°C, and if possible, 1.5°C compared to pre-industrial times. The quantifying of decarbonisation goals with an appropriate schedule will be made by the end of 2021.

**Climate-friendly banking operations**

The main sources of emissions in our banking operation are the heating of our offices, business travel, and the use of electricity.

In its evaluations of its CO<sub>2</sub> equivalents (CO<sub>2</sub>e), Rentenbank orients itself towards the international standards of the Greenhouse Gas Protocol and classifies them in accordance with scopes 1 to 3. These calculations relate to



our site at Hochstraße 2 in Frankfurt am Main, which is Rentenbank's only site.

Overall emissions in 2020 fell significantly from 465.84 t CO<sub>2e</sub> to 401.92 t CO<sub>2e</sub>, compared to the prior year (2019). 1.16 t CO<sub>2e</sub> and 1.51 t CO<sub>2e</sub> were emitted per employee in 2020 (347 employees) and 2019 (309 employees) respectively. This corresponds to a reduction of 23% per employee.

Rentenbank takes its binding responsibility for the environment seriously and is currently in the process of renovating its office at Hochstraße 2 in order to make its consumption of resources significantly more efficient, particularly in relation to energy. From 2021 onwards, our banking operations will run on green electricity from 100% renewable energy. It is our intention to reduce our CO<sub>2</sub> emissions from our banking operations in the medium term as much as possible, nevertheless we also have the obligation to preserve our listed building.

#### **Climate-friendly funding**

As part of the Sustainability, Environmental and Consumer Protection and Forestry programmes, we support initiatives aimed at improving energy efficiency and reducing emissions with particularly attractive loans (at our best rates). In addition, Rentenbank supports climate-friendly energy changes through its Renewable Energy promotional programme.

#### **Climate-friendly business travel**

Rentenbank will be switching its fleet over to electric vehicles over the next few years. For this reason, we have installed a charging station at our company parking lot in 2020. In 2021, we will be putting a second charging station into operation.

## Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions

The reporting organization shall report the following information:

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub> or all.
- c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.
- d. Base year for the calculation, if applicable, including:
  - i. the rationale for choosing it;
  - ii. emissions in the base year;
  - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

2020: 11,637 t CO<sub>2e</sub> from petrol (car) 2019: 12,782 t CO<sub>2e</sub> from petrol (car)

2020: 1,598 t CO<sub>2e</sub> from diesel (car) 2019: 3,247 t CO<sub>2e</sub> from diesel (car)

2020: 64.49 t CO<sub>2e</sub> from heating oil in 2019: 46,426 t CO<sub>2e</sub> from heating oil

2020: 205,566 t CO<sub>2e</sub> from gas in 2019: 266.63 t CO<sub>2e</sub> from gas

<http://www.iwr.de/re/eu/co2/co2.html>

Federal Motor Transport Authority (Kraftfahrtbundesamt) - specialist article: Emissions and fuels as of 15 March 2011

<https://www.primaklima.org/mein-klima/mein-co2-fussabdruck/>

Petrol and diesel CO<sub>2e</sub>

[www.co2online.de/klima-schuetzen/mobilitaet/auto-co2-ausstoss/](http://www.co2online.de/klima-schuetzen/mobilitaet/auto-co2-ausstoss/)

The classification of the scopes is in line with the standards of the Greenhouse

Gas Protocol.

Key Performance Indicator GRI SRS-305-2: Energy indirect  
(Scope 2) GHG emissions

The reporting organization shall report the following information:

- a.** Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- b.** If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- c.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- d.** Base year for the calculation, if applicable, including:
  - i.** the rationale for choosing it;
  - ii.** emissions in the base year;
  - iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

2020: 118.63 t CO<sub>2e</sub> from electricity, 2019: 136,655 t CO<sub>2e</sub> from electricity

Overall mix of CO<sub>2</sub> emissions from 164g/kWh electricity calculated using

Mainova electricity labelling

<https://www.primaklima.org/mein-klima/mein-co2-fussabdruck>

The classification of the scopes is in line with the standards of the Greenhouse Gas Protocol.

Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions

The reporting organization shall report the following information:

**a.** Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**b.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

**d.** Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

**e.** Base year for the calculation, if applicable, including:

**i.** the rationale for choosing it;

**ii.** emissions in the base year;

**iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.

**f.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

**g.** Standards, methodologies, assumptions, and/or calculation tools used.

Rentenbank has not yet captured scope 3 emissions (business travel, employee commuting, print/paper and waste) in 2020.

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.
- b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- c.** Base year or baseline, including the rationale for choosing it.
- d.** Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e.** Standards, methodologies, assumptions, and/or calculation tools used.

Overall, emissions in 2020 fell significantly from 465.84 t CO<sub>2e</sub> to 401.92 t CO<sub>2e</sub> compared to the prior year (2019). 1.16 t CO<sub>2e</sub> and 1.51 t CO<sub>2e</sub> were emitted per employee in 2020 (309 employees) and 2019 (347 employees) respectively. This corresponds to a reduction of 23% per employee.

Greenhouse gas emissions have been documented since 2019 (scopes 1 and 2). Due to the brief timeframe and the special circumstances of the COVID-19 pandemic and Rentenbank's move during the 2020 financial year, a direct comparison of the emissions calculated with those in 2019 is inconclusive and therefore cannot be attributed to specific measures.

## Criteria 14–20 concerning SOCIETY

### Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

#### 14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

Rentenbank attaches importance to reconciling its employees' professional lives with their home lives and caring responsibilities. We tailor personal development plans to our employees' needs and provide our managers with special training courses. We also attach particular importance to the health of our employees. This involves not only eliminating any stress or strain at work but actively taking preventative measures to promote the good health of our employees.

As an employer and a customer operating exclusively in Germany, Rentenbank respects human and employee rights. For this reason, we do not consider there to be any significant risks regarding employee rights. Freedom of association and the right to collective bargaining are key to the protection of employment rights.

##### **Respect for employee rights and employee participation**

Rentenbank is a member of the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands, VÖB). Accordingly, it applies the collective pay agreement agreed on with the respective trade union for private and public banks.

Within the framework of employee participation at work, a staff council was elected based on the Federal Employee Representation Act (Bundespersönalvertretungsgesetz, PersVG). It represents the interests of all employees. Employer and staff council work in consideration of the laws and pay agreements in a confidential and collaborative way. The staff council exercises its rights to participation on codetermination, cooperation and consultation. In addition to the works council, the Equal Opportunities

Commissioner and the representative for the severely disabled represent the interests of the employees. Furthermore, the responsible committees and the affected employees are fully involved in the development of strategy. This takes place by means of one-to-one meetings with line managers, internal informative events, and digital information channels. The implementation of strategic sustainability management specifically involves employees from across the entire bank and all management levels in the work groups, steering committee and our cross-divisional 'Ökoprofit' team. Employees are being asked to come forward and discuss their ideas and suggestions for change with the relevant contact person.

In order to navigate our way through the changing world of work with its increasing demands for speed, volume and complexity, Rentenbank updated its 'Guidelines for management and cooperation' in 2019/2020 as a result of several workshops in which employees from all divisions participated. The following six core elements make up the joint output of these workshops:

- Open to change
- Working as one
- Good communication
- Making the right decisions
- Solution-oriented error culture
- Exercising a positive management culture

### **Occupational health management and job security**

Through programmes based on physical and mental health, Rentenbank prioritises the systematic management of the health of its employees. This includes regular health days, contributions towards memberships of gyms of the employee's choice, individual health training sessions, corporate sport groups as well as corporate integration management, among other things. We also offer the advisory service 'pme Familienservice' (life coaching, care for the elderly, addiction prevention etc.), which all employees can use free of charge.

Affordable meals which are healthy and balanced are available from our own canteen.

'Health as a management task' forms part of the compulsory training programme for all managers. Rentenbank's organisational structure for dealing with occupational health and safety creates the framework for protecting employees from dangers at work. Rentenbank has set up a staff safety committee, which is made up of members of the staff council, the Health and Safety Officer, the representative for the severely disabled and Rentenbank's HR management, among others.

### **Objectives**

Objectives towards reconciling professional and personal lives as well as equality and other standard employee rights are in most cases regulated by

law, and are firmly-established at Rentenbank. We prioritise the following activities over and above our statutory duties:

- Creating awareness among employees about the importance of a good work-life balance while reconciling their work with their families and caring responsibilities
- Facilitating mobile working
- Improving gender equality
- Increasing the number of women in management and specialist roles
- Expanding and quality-checking the training options for our employees
- Promoting and sustaining good physical and mental health among our employees

## 15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

Rentenbank is committed to equal opportunities and diversity and considers this obligation to be important and a matter of course: No one should be disadvantaged because of their background, ethnicity, sex, religion, world view, disability, age, or sexual orientation.

### **Gender equality and reconciling family and professional lives**

Gender equality is an important aspect of Rentenbank's HR policy, particularly in relation to pay. Rentenbank has appointed an Equal Opportunities Commissioner, who is closely involved in all relevant decisions such as recruiting new staff. The equality plan, which is accessible to all employees, contains targeted measures for improving gender equality and improving the ability to reconcile family and caring responsibilities with professional life. These measures include flexible working and part time working, the subsidising of nursery places, and the offer of an advisory service (pme Familienservice) etc. The objective of increasing the number of women in management roles by 20% by 31 December 2019 was achieved. By 30 June 2020 it was at 22%. The increase in the number of women in management roles to 25% is to be achieved by 2025 at the latest. Annual checks are carried out as to how the gender equality plan is being implemented. In addition, all employees receive training in general equality legislation when they start work with us.

### **Diversity**



Rentenbank has signed the Diversity Charter ([Charta der Vielfalt](#)). In signing this, Rentenbank publicly commits to having diversity in its corporate culture.

#### **Inclusion of people with disabilities**

In recognising our responsibilities to society, Rentenbank supports the inclusion of people with disabilities. We follow the model of the UN's Convention on the Rights of Persons with Disabilities (CRPD), which has been in force in Germany since March 2009, and we adapt our work stations to the needs of our employees with disabilities. For reasons of data protection and due to the fact that it employs very few staff, Rentenbank opts not to disclose its inclusion quota. In addition, due to the fact that we cannot influence this indicator, there is no target.

## 16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

The HR strategy is derived from our business strategy. It comprises safeguarding appropriate quantitative and qualitative staffing levels, the promotion of gender equality, as well as safeguarding and further development of instruments and processes within staff management, among other things.

In order to ensure it has appropriate staff levels, the Bank positions itself as an attractive employer for current and future employees. To recruit and develop university graduates, Rentenbank benefits from its tried and tested trainee programme. The programme consists of 'training on the job' in different departments at the Bank, cross-divisional seminars and tailored training sessions. In 2020, eight new trainees commenced their traineeships.

Rentenbank's succession and retention management allows for talent to develop and be retained in an organised way. As part of this programme, high achievers and those with great potential can be prepared to move up to a management position or to take on other key roles using tailored development plans.

A general risk in relation to qualifications is that employees' qualifications might not meet the standards of the regulator. The Bank is heightening awareness among its employees about the relevant provisions through regular compulsory training sessions, especially regarding money laundering, fraud prevention, data protection and information security. Participation is monitored. This ensures that we have a participation quota of 100%. Regular

employee training sessions about current developments/methodology through to precautionary instruction are on-going. An appropriate level of skill is ensured by providing training sessions as the need arises and recruiting in a targeted way. The usual regular appraisals offer a platform for proper feedback from the line manager on the employee's performance and the opportunity to discuss objectives and expectations of both parties. On this basis, measures to support achieving them are agreed upon. They can include acquiring new tasks or responsibility for projects. The success of these training sessions is assessed and monitored through questionnaires. Producing detailed statistics relating to training sessions is part of HR management.

The number of training days per employee is one of the aims contained in the business strategy (target: 1.5 days). In 2020, due to COVID-19 the average number of training days was slightly below this at 1.4 days per employee. Training constitutes one of the topics contained within the quarterly report produced by HR for the Management Board.

## Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries  
The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

**You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.**

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.**

No deaths from work-related injuries.

No work-related injuries with serious consequences.

In 2020, four work-related injuries and two accidents commuting to work were documented. Therefore, 1.6 work-related injuries per 200,000 hours worked were recorded (hours worked by all employees in 2020 (based on average full-time equivalent and work days in 2020 excluding annual leave. No account is taken of over-time or sick leave): 504,178 hours). Due to the small number of injuries, we will not be disclosing their nature.

Work-related illnesses are not recorded (at Rentenbank, this is of minor importance because most work is office-based).

Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

**a.** A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.

**b.** Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

Cf. criterion 14.

Key Performance Indicator GRI SRS-404-1: Average hours of training

The reporting organization shall report the following information:

**a.** Average hours of training that the organization's employees have undertaken during the reporting period, by:

**i.** gender;

**ii.** employee category.

On average 1.4 training days per employee.

Please note: Calculated based on the number of staff, not full-time equivalent staff. The Bank's non-mandatory training courses are open equally to all employees as a matter of course. An evaluation according to gender, role, management level etc. is not being undertaken for this reason, as well as due

to the small number of staff overall.

Key Performance Indicator GRI SRS-405-1: Diversity

The reporting organization shall report the following information:

**a.** Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

**i.** Gender;

**ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;

**iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

**b.** Percentage of employees per employee category in each of the following diversity categories:

**i.** Gender;

**ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;

**iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

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<b>Management Board</b>		
<b>Category of diversity</b>	<b>Number of persons</b>	<b>Number of persons (in %)</b>
Overall	4	100%
<b>According to gender</b>		
female	1	25%
male	3	75%
<b>Age groups*</b>		
< 30 years	0	0%
30-50 years	1	25%
> 50 years	3	75%
* Reporting date: 31.12.2020		
<b>Supervisory Board</b>		
<b>Category of diversity</b>	<b>Number of persons</b>	<b>Number of persons (in %)</b>
Overall	18	100%
<b>According to gender</b>		
female	5	28%
male	13	72%
<b>Age groups*</b>		
< 30 years	0	0%
30-50 years	4	22%
> 50 years	14	78%
* Reporting date: 31.12.2020		
<b>Staff (excluding Management Board and Supervisory Board)</b>		
<b>Category of diversity</b>	<b>Number of persons</b>	<b>Number of persons (in %)</b>
Overall	343	100%
<b>According to gender</b>		
female	157	46%
male	186	54%
<b>Age groups*</b>		
< 30 years	32	9%
30-50 years	184	54%
> 50 years	127	37%
* Reporting date: 31.12.2020		

Key Performance Indicator GRI SRS-406-1: Incidents of discrimination

The reporting organization shall report the following information:

- a.** Total number of incidents of discrimination during the reporting period.
- b.** Status of the incidents and actions taken with reference to the following:
  - i.** Incident reviewed by the organization;
  - ii.** Remediation plans being implemented;
  - iii.** Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
  - iv.** Incident no longer subject to action.

No incidents of discrimination have been reported, therefore no measures have been taken.

## Sector Supplements

### Further indicators

There were no redundancies in the past 10 years (e.g. more than 1,000 employees or more than 5% of the core staff).

11% short-term or temporary employees (as of 31 December 2020). 0.4 temporary employees and 315 full-time employees on an annual average

In 2020, 0,4 temporary employees and 315 full-time employees as an annual average.

Staff turnover rate in 2020: 6.35%

## Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

## 17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

Respect for human rights is entrenched as a core value at Rentenbank and serves to strengthen sustainable development. In 2020, Rentenbank drafted the [Declaration by Landwirtschaftliche Rentenbank on respect for human rights and the core labour standards of the International Labour Organization \(ILO\)](#), in which it professes itself explicitly to protecting human rights and adhering to the core labour standards of the International Labour Organization (ILO), and to positioning itself against forced labour, child labour and discrimination.

As a federal public law institution with a statutory promotional mandate, Rentenbank is dedicated to the common good. As part of its responsibility to its stakeholders and society, Rentenbank professes itself to democracy, human rights and equal opportunities. Our internal documents, including the code of conduct as well as policies and procedures, reflect this obligation.

All Rentenbank employees work at one site in Frankfurt am Main. Rentenbank considers the protection of human rights to be a matter of course and goes beyond the requirements of the ILO core labour standards. In addition to fair remuneration, Rentenbank is committed to providing a healthy and attractive working environment. It offers a variety of options for further training and attaches importance to diversity, inclusion, and reconciling work and family life.

An external consultancy helped to identify risks for breaches to human rights as part of Rentenbank's sustainability project in 2020. This especially concerned potential risks to human rights in our promotional business. Through its statutory mandate as a promotional bank for agribusiness and rural areas, Rentenbank is focused on Germany and the EU. On this basis, there are no major risks for breaches to human rights. A quantified objective is a zero-tolerance policy in relation to breaches of human rights in Rentenbank's value chain. However, Rentenbank does not have any direct contact with end borrowers, so scope for direct exposure is limited.

As a bank, we have comparatively few suppliers and service providers, and they are mainly registered in Germany or Europe. We take ecological and ethical aspects into consideration when we make decisions on suppliers and service providers. As an authority contracting within the realms of its status as



a public law institution, Rentenbank tenders contracts above fixed thresholds within the framework of procurement law across Europe. Here, the applicable legal obligations are complied with and European standards regarding human rights are safeguarded.

Due to Rentenbank's business model, the risk of organised breaches to human rights in its value chain are categorised as being very slight. Therefore, we have not set any specific objectives.

If, despite the slight risk, human rights breaches do occur within our promotional business, HR management or banking operations, there is the option of informing the bank by using an [online contact form](#). This way, details about the complaint can be given and any information required for the investigation can be swiftly submitted. No complaints have been raised to date in relation to breaches of human rights. Should such complaints reach Rentenbank, they will be examined immediately and measures will be taken as necessary. Measures would vary according to the type and extent of the breach.

## Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings

The reporting organization shall report the following information:

**a.** Total number and percentage of significant investment agreements and contracts that include [human rights clauses](#) or that underwent human rights screening.

**b.** The definition used for 'significant investment agreements'.

By dint of its statutory mandate, Rentenbank is focused on Germany and the EU. The risk of organised breaches to human rights in its value chain are categorised as being very slight.

As an authority contracting within the realms of its status as a public law institution, Rentenbank tenders contracts above fixed thresholds (2020: EUR 214,000) within the framework of procurement law across Europe. Here, the applicable legal obligations are complied with and European standards regarding human rights are safeguarded. In 2020, Rentenbank invited tenders nine times across Europe. In the case of one contract, Europe-wide tendering was stopped due to the company's unique selling point. Therefore, 89% of contracts contained human rights clauses.

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews

The reporting organization shall report the following information:

- a.** Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Rentenbank considers the protection of human rights to be a matter of course with regard to its employees and goes beyond requirements of the ILO core labour standards. All of the business premises were checked for conformance with human rights. Hochstraße 2 in Frankfurt is our only business site. In addition to fair remuneration, Rentenbank is committed to providing a healthy and attractive working environment. It offers a variety of options for further training and attaches importance to diversity, inclusion, and reconciling work and family life. Extensive information about this can be found under criterion 14 (Employment Rights).

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening

The reporting organization shall report the following information:

- a.** Percentage of new suppliers that were screened using social criteria.

As an authority contracting within the realms of its status as a public law institution, Rentenbank tenders contracts above fixed thresholds within the framework of procurement law across Europe. Thus, the applicable legal obligations are complied with and European standards regarding human rights are safeguarded. We take ecological and ethical aspects into consideration when we make decisions about suppliers and service providers below the defined thresholds. This also includes the fact that Rentenbank does not enter into any business transactions which could have a detrimental effect on the Bank's reputation. A code of conduct for Rentenbank's external contractors is supposed to obviate situations in which the integrity and reputation of Rentenbank could be damaged. Breaches to human rights clearly belong in this category, too.

As our purchasing at Rentenbank is on a small scale, it is organised in a decentralised manner and these figures cannot currently be captured. Therefore, currently no specific figures for a 'social inspection' of suppliers can be deduced.

Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain

The reporting organization shall report the following information:

- a. Number of suppliers assessed for social impacts.
- b. Number of suppliers identified as having significant actual and potential negative social impacts.
- c. Significant actual and potential negative social impacts identified in the supply chain.
- d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

As a bank, we have comparatively few suppliers and service providers and they are almost all in countries registered in Germany or Europe with very high social standards. In the 2020 financial year, we did not feel it necessary to carry out checks for social issues due to the fact that this was hardly relevant.

Rentenbank monitors the quality and appropriateness of the provision of services of its suppliers and service providers. We would have taken the necessary steps had we uncovered any misconduct. Rentenbank has not been made aware of any breaches to human rights by our suppliers/service providers and nor have we established any ourselves.

## Criterion 18 concerning SOCIAL MATTERS

### 18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

As a good corporate citizen, Rentenbank supports local cultural institutions and selected projects located near its office in Frankfurt am Main. We regularly support Oper Frankfurt, Schirn Kunsthalle, Städel Museum, the English Theatre and the Städelschule (State Academy of Fine Arts), among others. We nurture

young talent at the Städelschule through our annual donation of a group prize. Furthermore, we support the Alte Oper Frankfurt's PEGASUS programme for children and young people. For the academic year 2020/21, we awarded a one-year bursary (extended by the same amount by the Federal Republic of Germany) to six students at the Goethe University Frankfurt and to two students at the Frankfurt University of Music and Performing Arts.

Our local Christmas donations have supported the Goethe Corona Fund jointly run by Goethe University Frankfurt and the University Hospital, the Maltese Aid Service Frankfurt, St Katherine's Hospice, the food provided throughout the winter by St Katherine's community, Human Rights Watch Frankfurt Committee, and the reforestation of the Frankfurt City Forest which has been damaged by drought.

## Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed

The reporting organization shall report the following information:

- a.** Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:
  - i.** Direct economic value generated: revenues;
  - ii.** Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
  - iii.** Economic value retained: 'direct economic value generated' less 'economic value distributed'.
  
- b.** Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

For economic indicators, please see [2020 Annual report](#).

**Key figures relating to Rentenbank's social commitment:**

<b>Donations</b>	<b>€ 136,600.00</b>
Arts and culture	€ 38,800.00
Research and education	€ 42,800.00
Charity	€ 52,000.00

## Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

### 19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

The Governing Law of Rentenbank (LR-Gesetz) governs its legal form, business purpose and remit.

Rentenbank is a member of the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands e.V., VÖB) and the European Association of Public Banks (EAPB). VÖB advocates for the concerns of its membership vis-à-vis the legislative bodies of the federal government and its federal states (Länder), supervisory and regulatory authorities at national and international level, as well as the media and the public. Rentenbank participates in all major matters relating to its banking business and regulation through its committee work as part of its collaboration with VÖB.

In accordance with its code of conduct, Rentenbank does not make any financial or other direct or indirect donations to political parties.

## Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions  
The reporting organization shall report the following information:

- a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
- b. If applicable, how the monetary value of in-kind contributions was estimated.

In accordance with its code of conduct, Rentenbank does not make any financial or other direct or indirect donations to political parties.

## 20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

The public perceives Rentenbank in a special way due to its promotional mandate. It is absolutely crucial that all committees' and employees' conduct is impeccable for the Bank to succeed. This is based upon a culture of compliance which is actively embraced by the Management Board and all employees, and complemented by monitoring processes to prevent unlawful conduct. Rentenbank has a zero-tolerance approach to corruption, fraud and other criminal activities as part of its approach (objective: 0 incidents), and it sanctions offences with disciplinary measures and, if necessary, criminal proceedings. This objective has always been attained in the last few years.

### **Public Corporate Governance Code**

As Rentenbank recognises that effective corporate governance is very important and demands the utmost integrity from all those involved in these activities, Rentenbank's Supervisory Board adopted the Public Corporate Governance Code (version as of 30 June 2009) that was approved by the federal government on 16 July 2009. Rentenbank's Management and Supervisory Boards identify with and recognise the principles of the PCGK. Any

deviations from the principles of the PCGK are disclosed and explained in the [declaration of conformity](#) on an annual basis.

### **Codes of conduct**

Rentenbank has produced a code of conduct for all employees. This forms the cornerstone of a legally-compliant and ethically-oriented, sustainable corporate culture and is further supplemented by specific policies for preventing criminal activities or accepting gifts and invitations. Employees can access all relevant policies posted on the Bank's intranet. In the event of criminal activity or misconduct, employees can approach their line managers or the Compliance or Money Laundering Officers in confidence or, if preferred, anonymously via an external ombudsman. Members of the Management Board are subject to a special code of conduct. This includes key principles relating to conflicts of interest, regulations about the giving and receiving of gifts and invitations, presentations, trading on the financial markets, as well as sideline activities and honorary positions.

### **Prevention of money laundering and other criminal activities**

The Bank has appointed a Money Laundering Officer to prevent money laundering, terrorist financing and other criminal activities. The Money Laundering Officer reports directly to the Management Board. They produce a risk analysis on the aforementioned issues on an annual basis and assess the risks associated with clients and business partners as well as risks related to products, processes and transactions.

Carrying out identity checks of contractual partners (know-your-customer principle) is one of the most important parts of complying with the diligence obligations required within anti-money laundering regulations. We abide by all the relevant procedures and processes required. In this regard, Rentenbank's special business model as a promotional bank in Germany and Europe and the allocation of loans in line with the principle of using local banks in order to mitigate risk are taken into account.

Employees and people of a comparable role are expected to report anything suspicious or potential breaches to money laundering obligations to the Money Laundering Officer, or get in touch with the ombudsman for Rentenbank while retaining the confidentiality of their identity. Suspected cases of money laundering are submitted immediately by the Money Laundering Officer to the Financial Intelligence Unit of the Central Customs Authority (Germany). We are not aware of any breaches due to money laundering, terrorist financing and other criminal activities in 2020.

### **Data protection**

Rentenbank implements the legal requirement of General Data Protection Regulation (GDPR) and the Federal Data Protection Act. New starts are required to comply with these standards. Our appointed data protection officer is the spokesperson and contact person for any matters relating to data

protection, and reports directly to the Management Board.

#### **Employee training**

The Bank is heightening awareness among its employees about the important provisions through regular compulsory training sessions, especially regarding money laundering, fraud prevention, data protection and information security. Participation is monitored. In addition, regular employee training sessions on topics ranging from current developments/methodology to precautionary instructions take place.

#### **Additional controls**

Over and above the regular monitoring activities undertaken by the Compliance and Money Laundering Officers, Internal Audit and external autonomous auditing companies also carry out annual checks. An exact description of how Rentenbank organises its risk management can be found in the Management Report within our [Annual Report](#).

#### **Risks**

Risks arise during the approval of loans and grants as well as in the procuring of or granting of contracts. Due to our on-lending through local banks, almost all of Rentenbank's business partners are credit institutions based in Germany or Europe. Therefore, minimal risk may generally be assumed.

## Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption

The reporting organization shall report the following information:

- a.** Total number and percentage of operations assessed for risks related to corruption.
- b.** Significant risks related to corruption identified through the risk assessment.

All of Rentenbank's business premises were checked for corruption risks (Hochstraße 2 in Frankfurt is the only site). Cf. criterion 20.



Key Performance Indicator GRI SRS-205-3: Incidents of corruption

Die berichtende Organisation muss über folgende Informationen berichten:

- a.** Total number and nature of confirmed incidents of corruption.
- b.** Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c.** Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d.** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

In the reporting year, no cases of fraud and/or corruption were discovered or reported at Rentenbank.

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
  - i.** total monetary value of significant fines;
  - ii.** total number of non-monetary sanctions;
  - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

None

# Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action	
	2. Materiality	
	3. Objectives	
	4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility	GRI SRS 102-16
	6. Rules and Processes	
	7. Control	
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources	GRI SRS 301-1
	12. Resource-Management	GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emissions	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights	GRI SRS 403-4 (2018)
	15. Equal-Opportunities	GRI SRS 403-9 (2018)
	16. Qualifications	GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1

\*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.