



Profitable business model				Status as at 31 July 2017
Goal	Measure	Deadline	Status	
Exploit competitive advantages	Develop and implement the "Aareal 2020 – Adjust.Advance.Achieve." programme: ensure a strong foundation in a changing environment; use our strengths, leverage potential; create sustainable value for all stakeholders	2016 - 2020	Aareal Bank Group remains on track. See also: https://www.aareal-bank.com/nc/en/media-portal/newsroom/press-information/press-information/article/aareal-bank-group-affirms-full-year-guidance-afte/	
Exploit competitive advantages	Enhance our existing business and establish ourselves on new markets and with new client groups	ongoing	In the focus of our attention	
Exploit competitive advantages	Obtain annual standardised rating by well-known rating agencies (Fitch & Moody's) and other service providers (GGB)	ongoing	Current ratings from Fitch and Moody's have been obtained – see: https://www.aareal-bank.com/en/investors-portal/ratings-company-information/ Rating from GGB (Gesellschaft für Bonitätsbeurteilung) is from December 2016. The final document for 2017 has been submitted, and the rating result is expected in December 2017.	
Review and, if necessary, adapt our future-facing positioning	Implement the standard strategy process, which was revised in 2014, in order to enhance the business model	ongoing	In the focus of our attention (Strategy Process is conducted annually)	
Review and, if necessary, adapt our future-facing positioning	Annual sustainability review of the business strategy by the auditor in accordance with part 3.1 section 11 of the Audit Report Regulation (Prüfungsberichtsverordnung – PrüfV)	ongoing	Part of the audit for the 2016 financial year.	
Review and, if necessary, adapt our future-facing positioning	Master tracking and standard reporting on the implementation of the Aareal 2020 "Adjust Advance Achieve" programme	2016 - 2020	Regular reporting within the framework of meetings of the Management Board and the Supervisory Board.	
Retain sound capital base	Maintain sound core capital ratio in accordance with Basel III (fully phased-in)	ongoing	Our Common Equity Tier 1 ratio of 16.6%, which is well above the statutory requirements (full implementation of Basel III, as at 30 June 2017) documents our commitment to security and stability.	
Retain sound capital base	NEW: Ensure advance compliance with the regulatory requirements concerning capital backing ("fully phased-in"), which will come into force in 2019.	ongoing	As at 30 June 2017, Aareal Bank reported a "phased-in" CET1 ratio of 16.9% and a "fully phased-in" CET1 ratio of 16.6%. This means that Aareal Bank clearly exceeds the total CET1 requirement of 7.5% stipulated by the supervisory authorities (CET1-SREP requirement including capital buffer) and therefore has a sufficient buffer to cushion any future uncertainties caused by the regulatory environment. Based on our current balance-sheet structure and capital base, we have already been able to report a "fully phased-in" Tier 1 Leverage Ratio of 6% as at 30 June 2017. This means that we clearly exceed the regulatory ratio of 3%.	
Ensure continuous increase in shareholder value	Secure attractive level of returns for the long term in a challenging environment: RoE before taxes of at least 12%; continue long-term "active dividend policy": increase in distribution ratio to between 70% and 80% planned	2018	Remains in the focus of our attention Yet another dividend increase – to € 2.00 (2016: €1.65) per share – was approved by resolution of the Annual General Meeting on 31 May 2017. This equates to a payout ratio of more than 60% and is therefore fully in line with the communicated dividend policy.	

Key: Not being pursued further



In focus



In progress
















Completed and still in focus



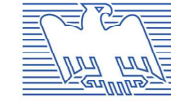
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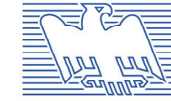
Risk management			Status as at 31 July 2017
Goal	Measure	Deadline	Status
Select properties with sustainable value	Selective choice of properties and high level of expertise, including for special properties	ongoing	In the focus of our attention 
Select properties with sustainable value	Regular review of lending guidelines in consideration of country-specific and regional features	ongoing	The current lending guidelines were approved by the Supervisory Board in June 2017. They are reviewed regularly. 
Implement forward-looking lending policy and sound refinancing policy	Manage a securities portfolio of the highest quality	ongoing	Solid refinancing base with securities portfolio amounting to € 8.7 billion as at 30 June 2017. 
Implement forward-looking lending policy and sound refinancing policy	Issue Pfandbriefe as sustainable financial instruments per se with strict requirements regarding the quality and immunity to insolvency of the cover assets	ongoing	Mortgage Pfandbriefe totalling € 0.9 billion have been issued as at 30 June 2017. 
Implement forward-looking lending policy and sound refinancing policy	Diversify sources of refinancing	ongoing	Continuous diversification. Foundation of capital market refinancing is a loyal, granular and domestic investor base for private placements: more than 600 hold-to-maturity investors. 
Precisely identify and manage risk-bearing capacity	High level of expertise in precise risk assessment and capital pooling	ongoing	Structuring expertise proved by international financing transactions. 
Precisely identify and manage risk-bearing capacity	NEW: Update risk appetite framework	2017	Completed and communicated internally on 27 June 2017. 
Precisely identify and manage risk-bearing capacity	In-depth analysis of financing issues for a wide range of aspects (e.g. market developments, property, borrower, collateral structure, financing structure)	ongoing	In the focus of our attention 
Implement long-term risk-aware liquidity policy	Effective risk management and control	ongoing	In the focus of our attention 
Implement long-term risk-aware liquidity policy	Application of going concern principle	ongoing	In the focus of our attention 
Implement long-term risk-aware liquidity policy	Long-term, risk-oriented liquidity policy tailored to diversified sources of financing (including housing industry deposits)	ongoing	In the focus of our attention 
Implement long-term risk-aware liquidity policy	Ensure compliance with the applicable regulatory requirements with regard to the liquidity coverage ratio and advance compliance with regard to the net stable funding ratio.	ongoing	Thanks to our successful funding activities and effective management of liquid assets, we reported a liquidity coverage ratio of well over 100% and a net stable funding ratio of over 100% as at 31 December 2016. This means that we are already exceeding the regulatory benchmark of 100% today. 
Anticipate and manage reputational risks	Group-wide management of reputational risk by monitoring early warning indicators	ongoing	In the focus of our attention 

Key: Not being pursued further  In focus  In progress  Completed and still in focus  Concluded 



Technology and innovation			Status as at 31 July 2017	
Goal	Measure	Deadline	Status	
Create an innovative corporate culture	Roll out the "Aareon's Got Talent" initiative, which was piloted in France, in Germany	2016	Initiative implemented in Germany, winners awarded in October 2016.	
Create an innovative corporate culture	Continue "Aareon's Got Talent" initiative in Germany and France.	2017	New ideas are being selected, and prizes will be awarded in the autumn	
Create an innovative corporate culture	Implement ideas management as part of the standard Strategy Process	2016	Ideas from various specialist units are being gathered via the Intranet, brought together and then reviewed within a structured process.	
Create an innovative corporate culture	Participation of Aareon AG in INQA Audit	2017	Final INQA Audit 2016 certificate received, and participation in 2018 is being reviewed.	
Create an innovative corporate culture	Pilot digitalisation workshops	2016	Workshops with various specialist departments have been held.	
Strengthen our innovative capability	NEW: Set up partnership with TechQuartier in Frankfurt	2017	Launched on 1 June 2017. Aareal Bank intends to build on TechQuartier's successful concept of being a contact point for the innovative start-up scene and a driver of networking and collaboration in the financial industry.	
Strengthen our innovative capability	NEW: Establish a Group-wide Start-Up Team	2017	Launched on 1 May 2017. This team will be developing the Group's start-up initiatives and acting as an in-house consultant.	
Strengthen our innovative capability	NEW: Establish start-up collaborations	ongoing	For example, since November 2016 with Berlin-based start-up Kiwiki, developer of a keyless entry system, since June 2017 with the PropTech Immomio, developer of a matching algorithm for digitalised tenant searches, since June 2017 with Intent Technologies, specialist in networking service providers in the context of smart building systems.	
Strengthen our innovative capability	NEW: Establish a team for digital innovations	2016 ff.	Launched on 1 October 2016. This team provides impetus with regard to relevant innovations and technology trends, and drives their implementation within our digitalisation strategy – such as through our participation in the "Bankathon" in Hamburg in October 2016.	
Strengthen our innovative capability	Research, present and discuss forward-looking products and services as part of the Supervisory Board's Technology and Innovation Committee	ongoing	Key issues of committee meetings in 2017: Cyber security, IT architecture, digital platform, housing platform, digital banking, trend topics (blockchain etc.)	

Key: Not being pursued further In focus In progress Completed and still in focus Concluded

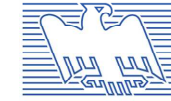


Integrity and compliance (1/2)

Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Increase transparency and openness for dialogue	Implement sustainability reporting based on GRI G4	2016	The report is prepared in accordance with the current version (G4) of the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI). ("In accordance – core" option). It also includes the GRI's Financial Services Sector Supplement.	✓
Increase transparency and openness for dialogue	Integrate Westdeutsche Immobilien Servicing AG and other new subsidiaries in (sustainability) reporting	2016	Our sustainability reporting for the 2016 financial year covers the entire Group. See: https://www.aareal-bank.com/en/responsibility/reporting-on-our-progress/sustainability-reporting/	✓
Increase transparency and openness for dialogue	Issue declaration of compliance with German Sustainability Code (DNK)	ongoing	Initial declaration on 24 August 2016. Update for FY 2016 as at 30 June 2017 See: http://datenbank2.deutscher-nachhaltigkeitskodex.de/Profile/CompanyProfile/9030/de/2016/dnk	
Increase transparency and openness for dialogue	Auditor's review of selected key figures and information contained in Sustainability Report	2015 - 2016	See: https://www.aareal-bank.com/fileadmin/DAM_Content/Konzern/verantwortung/2017/Aareal_Bank-Pruefvermerk_NHB_2016_final_en.pdf A resolution has also been adopted for PWC to review the report for the 2017 financial year.	
Increase transparency and openness for dialogue	Relaunch of corporate website	2016	Implemented at the end of March 2016.	✓
Increase transparency and openness for dialogue	Review of Internet content regarding "Responsibility / Sustainability"	2016	Implementation had been planned for Q4/2016. Following comprehensive enhancements, the new Internet presence was rolled out in Q1/2017. See https://www.aareal-bank.com/en/responsibility/	✓
Increase transparency and openness for dialogue	Improve the results of various sustainability ratings	ongoing	The current overview of ratings can be found here: https://www.aareal-bank.com/en/responsibility/reporting-on-our-progress/ratings/	

Key: **Not being pursued further** **In focus** **In progress** **Completed and still in focus** **Concluded**



Integrity and compliance (2/2)

Status as at 31 July 2017

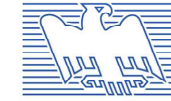
Goal	Measure	Deadline	Status	
Increase transparency and openness for dialogue	Prepare a fact sheet on the topic "Sustainability at Aareal Bank Group"; to be published on our website	2016	Publication had been planned for Q4/2016, actually published in Q1/2017. See: https://www.aareal-bank.com/fileadmin/DAM_Content/Konzern/verantwortung/Fact_Sheet-Nachhaltigkeit_en.pdf	
Manage legal/regulatory requirements	Monitor regulatory compliance and risk reporting	ongoing	Regular reporting in meetings of the Management Board and the Supervisory Board.	
Manage legal/regulatory requirements	Annual review of sustainability of business model as part of the ECB's Supervisory Review and Evaluation Process (SREP)	ongoing	In the focus of our attention	
Manage legal/regulatory requirements	Tighter integration of financial and sustainability reporting (in terms of both content and timing) in preparation for mandatory reporting	2016 / 2017	Close coordination between the divisions involved. Investigation into an integrated reporting system is planned.	
Manage legal/regulatory requirements	NEW: Ensure sustainability reporting in accordance with EU Directive 2014/95/EU	ongoing	Already applied for the first time in the 2016 financial year.	
Do business in accordance with ethical and economic principles	Facilitate informed investment decisions through transparent financial market communication	ongoing	Slides on sustainability are included when communicating with capital market and press representatives.	
Do business in accordance with ethical and economic principles	Compliance management includes guidelines and a Code of Conduct for employees, along with appropriate training. Compliance carries out control activities to verify that legal and internal Group requirements are met.	ongoing	In the focus of our attention	
Do business in accordance with ethical and economic principles	NEW: Establish Group-wide diversity goals (minimum requirements)	2017	Maintain broad international set-up of the workforce (currently comprises employees from 28 nations), a female quota of min. 30% in the Supervisory Board and 25% in the Management Board, as well as targets of 6.3% for the first and 21.4% for the second level of management below the Management Board. Implementation planned for Q2/2017. See also: Annual Report 2016 p. 256 ff. (https://www.aareal-bank.com/fileadmin/DAM_Content/IR/Finanzberichte/2016/161231_gb_en.pdf)	
Do business in accordance with ethical and economic principles	Ensure an appropriate level of diversity for appointments to Aareal Bank Group's governing bodies	ongoing	Through an actual female quota of 40% in the Management Board, for example.	

Key:
Not being pursued further
In focus
In progress
Completed and still in focus
Concluded



Management of client relationships				Status as at 31 July 2017
Goal	Measure	Deadline	Status	
Measure and increase customer satisfaction	Design client survey for RSF segment	2016	Customer survey has been conducted. An in-depth poll concerning digitalisation has also taken place. The findings have been taken into account in business decisions.	
Ensure closeness to clients and the market	NEW: Set up creative workshops with clients	ongoing	For example, the Aareon "Design Lab" has been set up to develop creative solutions together with clients.	
Ensure closeness to clients and the market	Regular presence at relevant property industry trade fairs and events (MIPIM, EXPO Real, etc.), association events and software partner client forums	ongoing	Overviews of events can be found here: Aareal Bank: https://www.aareal-bank.com/en/media-portal/newsroom/calendar/archiv/2017/ Aareon: https://www.aareon.de/Veranstaltungen_und_Trainings.2694.html (in German)	
Anticipate client needs and develop corresponding solutions	Utilise insights gained from Aareon's regular customer satisfaction surveys	ongoing	Measures have been investigated and, depending on the results, implemented in the divisions.	
Ensure information and network security	Ensure information and network security (including hacker tests designed to prevent cyber risks, penetration tests, etc.)	ongoing	Aareon has undergone annual external data protection audits according to section 9a of the German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) already since 2010. The extensive reviews of the auditors from TÜV Rheinland i-sec GmbH were successfully completed in July 2016.	
Meet all data protection requirements	Introduction of a management system to improve the quality of data protection at Aareal Bank Group	2016	Extensive networking, increasing globalisation and constantly increasing threats mean that a holistic approach to information security management is required in our Company, and the ISO/IEC 27001 standard offers practical guidance here.	

Key: **Not being pursued further** **In focus** **In progress** **Completed and still in focus** **Concluded**

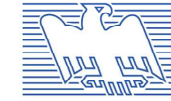


Stakeholder engagement (1/2)

Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Enhance internal and external stakeholder dialogue	Update stakeholder analysis and materiality matrix, and continue systematic information exchange with representatives of various stakeholder groups	ongoing	Detailed overview of results on homepage/in the Sustainability Report.	
Enhance internal and external stakeholder dialogue	Integrate sustainability issues into internal information events	ongoing	A lecture on sustainability issues has been integrated into the induction event for new staff members	
Enhance internal and external stakeholder dialogue	Partner in "Social Responsibility" category for "Immobilien Manager Award 2016" (IM-Award)	2016	IM Award 2016 was presented to the Initiative Corporate Governance der Deutschen Immobilienwirtschaft e.V. on 3 March 2017.	
Enhance internal and external stakeholder dialogue	Implement open dialogue channel to the Chairman of the Management Board (internal)	ongoing	Direct email address has been established, incl. assurance of direct answer from CEO.	
Enhance internal and external stakeholder dialogue	Active participation of Management Board Chairman at numerous events	ongoing	Presence at MIPIM, Expo Real, SZ Finance Day, Aareon Congress, roadshows with investors, among others.	
Enhance internal and external stakeholder dialogue	Launch change management programmes for Aareal Bank AG (starting in March 2016) and Aareon AG (starting in October 2015)	2015 ff.	Programme at Aareon AG completed with the development of the "Flight Plan" in 2016. Change management process at Aareal Bank is being driven by three task forces: Creative Boxes, Flexible Teams and Agile Coaches.	
Continue discussion events for representatives of relevant stakeholder groups	Continuation of Aareon congresses on key topics for the future	ongoing	Congress entitled "Tackle the tasks! Actively shaping success" took place in Garmisch-Partenkirchen from 31 May to 2 June 2017. Housing industry summit meeting contained presentations on various issues concerning digitalisation and IT solutions (further information can be found here: https://www.aareon.de/sixcms/detail.php/123936 – in German)	
Continue discussion events for representatives of relevant stakeholder groups	Hold annual employee and executive events throughout the Group	ongoing	Annual Management Meeting entitled "#Thinking ahead. Shaping the future" took place in Offenbach from 20 to 21 April 2017. Works Council Meeting (20 December 2016) and the Management Board's Annual Staff Information Meeting (3 May 2017) are held for all staff.	
Actively participate in and contribute know-how to organisations of which we are members	Join econsense Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V. in order to introduce property-related topics to this sustainable development forum	2016	Membership since 1 January 2016.	
Actively participate in and contribute know-how to organisations of which we are members	Take office, play active role as members on committees etc.	ongoing	See: https://www.aareal-bank.com/en/responsibility/contact-us/memberships/?sword_list%5B0%5D=mitgliedschaften&cHash=2fb2956c22a389e252bea6aed1a0148f	

Key: **Not being pursued further** **In focus** **In progress** **Completed and still in focus** **Concluded**



Stakeholder engagement (2/2)

Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Help tackle challenges facing society and promote openness for dialogue	Education and academic research: Continue working to promote education and academic research, as well as the dialogue between research and practice in the property industry and IT	By end of 2017	Donation volume in 2016: € 39,300	
Help tackle challenges facing society	Charitable and social commitment: Donate to various non-profit organisations including Zwerg Nase	By end of 2018	Donation volume in 2016: € 52,600	
Help tackle challenges facing society	Art and culture: Supporting membership of the Städel Museum in Frankfurt am Main since 2015	ongoing	Donation volume in 2016: € 5,000	
Help tackle challenges facing society	Concept for showing appreciation of and encouraging volunteering by employees	2016	Group-wide appeal via Intranet has taken place ("Aareal moves") and award presented.	
Help tackle challenges facing society	Concept for becoming involved in the area of sustainable resource usage in the property industry	2015 / 2016	No further action planned at present.	
Help tackle challenges facing society	Make available own or sponsored platform for positioning Zwerg Nase in order to increase awareness of it and attract additional donations	2015 / 2016	Measure being investigated for 2018.	

Key: Not being pursued further In focus In progress Completed and still in focus Concluded



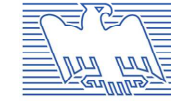
Structured Property Financing – sustainability aspects Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Offer sustainable products and services	Adopt position on the relevance of building certification: this initially entails determining the proportion of appraised properties, and potentially in the medium term the proportion of the entire portfolio as well, that have been certified	2016 / 2017	Determination of proportion for 2014 and 2015 completed, ongoing for 2016	
Offer sustainable products and services	Investigate whether sustainability criteria can be incorporated in the asset/liability portfolio	2016 / 2017	Planned for 2017.	
Offer sustainable products and services	NEW: Present sustainability aspects of the lending process	2017 ff.	See Sustainability Report 2016 p. 22 f.: https://www.aareal-bank.com/en/responsibility/reporting-on-our-progress/sustainability-reporting/	
Offer sustainable products and services	Track green bond market and investigate whether to issue own green/SRI Pfandbriefe	ongoing	Screening of property financing portfolio and discussions with the divisions.	
Fulfil quality promise to clients	Maintain high-quality track record as syndicate leader and transaction manager	ongoing	High quality underlined by major loan syndications, e.g. CAD 716 million facility for a Canadian hotel portfolio.	

Consulting / Services segment – sustainability aspects Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Offer sustainable products and services	Expand portfolio of efficient, innovative, secure digital solutions (Aareon Smart World)	ongoing	For example, Joseph foundation, Aareon Smart World Cockpit (in UK, Germany in 2017), Aareon CRM, tenant app, Aareon ImmoBlue Plus, mobile solutions (public safety, mobile inventory data management, mobile handover of rental units), digital platform. Cooperation with start-ups: Intent, Kiwi, others in discussion, blackprint booster Already on the market for a long time: Mareon, Aareon invoicing service, Aareon Archiv kompakt	
Offer sustainable products and services	NEW: Integrate sustainability performance indicators into business case calculations	2017 ff.	Investigation into possible standardisation ongoing.	
Offer sustainable products and services	Conduct a feasibility study on implementing the initiative to provide housing industry clients with loans for specific purposes, e.g. for energy-saving measures or senior living conversions as a contribution to the UN climate goals	2016	Postponed to 2017 and remains in the focus of our attention.	
Fulfil quality promise to clients	Implement quality promise in day-to-day operations	ongoing	Aareon AG's products have been certified in accordance with the auditing standard of the Institute of Public Auditors in Germany (IDW), attesting to a high level of quality and security. <input type="checkbox"/> IT Service Centre: Certified Computer Centre – level 3tekPlus <input type="checkbox"/> Auditing standard PS 951 of the Institute of Public Auditors in Germany (IDW) <input type="checkbox"/> Information security management system: complies with ISO/IEC 27001:2013 <input type="checkbox"/> Data protection: certified as a service provider with audited data protection management by TÜV Rheinland technical inspection agency. Aareon is also a gold-status SAP channel partner, among other things.	

Key: Not being pursued further In focus In progress Completed and still in focus Concluded

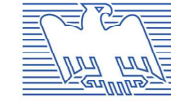


Attractive employer (1/3)

Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Continue responsible human resources policy	Add sustainability goals to personal target agreements for members of the Management Board	ongoing	Completed for 2017 target agreements	
Continue responsible human resources policy	Obtain certification for Aareal Bank AG as a "TOP Employer"	2016	Certification received for the tenth time in succession in February 2017.	
Continue responsible human resources policy	Design and implement succession planning within the Group	2016	In the focus of our attention	
Continue responsible human resources policy	Obtain certification "Arbeitsschutz mit System" (systematic occupational safety) issued by the employers' liability insurance association (Berufsgenossenschaft)	2016	Certification received in April 2016	
Continue responsible human resources policy	Increase the number of active first-aiders from 43 to 62 and deploy at least 2 first-aiders at each German location	2016	All branches except Hamburg (currently only one first-aider) have at least two first-aiders, overall increase to 67 active first-aiders. In place since Q1/2017.	
Continue responsible human resources policy	Annually instruct all employees with regard to occupational safety and health protection issues	ongoing	Instructions have been integrated in order to increase acceptance; results will be analysed.	
Continue responsible human resources policy	Set up an internal audit to verify that the occupational safety system is effective and provides legal certainty and to review process quality	2016	Set-up started in September / October 2016. Audit carried out in Q1/2017.	
Continue responsible human resources policy	Create a full-time position for an occupational safety expert	2016	Position has been filled as at 1 July 2016	
Continue responsible human resources policy	NEW: Conduct further occupational safety measures	2017	Recruitment of more fire safety and evacuation officers at the Wiesbaden site, evacuation drill at the Wiesbaden site, inspections of each national location with the company doctor.	
Measure and increase employee satisfaction	Investigate conducting an employee survey at Aareal Bank AG	2016	First partial survey conducted. Further surveys planned.	
Measure and increase employee satisfaction	Regular employee satisfaction surveys at Aareon AG	ongoing	Satisfaction survey conducted in September 2016. Also planned for 2017.	

Key: Not being pursued further In focus In progress Completed and still in focus Concluded

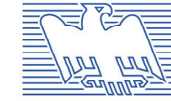


Attractive employer (2/3)

Status as at 31 July 2017

Goal	Measure	Deadline	Status	
Measure and increase employee satisfaction	Design and implement offerings for different life stages	ongoing	In progress	
Measure and increase employee satisfaction	Design and implement additional measures relating to the "World of Work 4.0"	2016 ff.	Aareon: Work4future project set up	
Measure and increase employee satisfaction	Maintain and, if required, supplement offerings designed to improve the work-care balance	ongoing	For example, internal care network, skills training, Viva Family Service etc.	
Measure and increase employee satisfaction	Maintain extensive offerings designed to improve the work-family balance	ongoing	For example, holiday childcare, parent-and-child rooms, famPlus, Fit for Family Care etc. No holiday childcare programme has been set up at Aareon due to insufficient interest	
Measure and increase employee satisfaction	Recertify Aareon AG under the "Work and Family Audit"	2017	Recertified in Berlin on 20 June 2017.	
Measure and increase employee satisfaction	Introduction of "Yammer" pilot period to promote internal communication	2016	Not pursued further after pilot phase. Focus on "Aareal One" as digital employee magazine instead.	
Promote diversity and equal opportunities	Participation of Aareon AG in the Anna+Cie programme which prepares female managers for top management positions	ongoing	Completed and still in the focus of our attention	
Enhance and expand Company Health Management	Present results of health survey conducted at Aareal Bank AG to the Management Board and identify/design additional Company Health Management offerings	2016	Results were presented in February 2016. The following company health measures were derived from these results and offered in 2016: measures to improve back and neck health, measures to ensure sound sleep as well as stress management and relaxation techniques.	
Enhance and expand Company Health Management	Anchor Company Health Management at Management Board level	2016	The "Company Health Management" programme mentor is Ms Dagmar Knopek, Member of the Management Board.	
Enhance and expand Company Health Management	Recertify Aareal Bank AG in the "Excellence Class" of the Corporate Health Audit	2016	Recertified in December 2016.	
Enhance and expand Company Health Management	NEW: Set up an internal health network and conduct a needs assessment	2017	A group of Aareal Bank colleagues have been acting as contact partners for a range of health issues since Q1/2017.	
Enhance and expand Company Health Management	NEW: Promote healthy and varied nutrition through the in-house canteen	ongoing	Procurement of fresh, regional food supplies. Varied menu with vegetarian meals and a salad buffet. Varied seasonal initiatives, e.g. "light summer dishes".	
Enhance and expand Company Health Management	Offer seminars and lectures on the subject of health	ongoing	A variety of seminars and lectures are being offered. The health counselling measures comprised information on exercise, lifestyle and nutrition, and there is also a series of seminars on promoting resilience.	

Key: **Not being pursued further** **In focus** **In progress** **Completed and still in focus** **Concluded**



Attractive employer (3/3)				Status as at 31 July 2017	
Goal	Measure	Deadline	Status		
Enhance the human resources strategy, taking into account the ageing population	Provide special skills acquisition offerings for all age groups	2017	Reviewed and classed as not appropriate.		
Enhance the human resources strategy, taking into account the ageing population	NEW: Promote knowledge management in the Housing Industry division	ongoing	A knowledge transfer Intranet portal has been set up.		
Enhance the human resources strategy, taking into account the ageing population	Develop and introduce knowledge transfer concepts for older workers, e.g. tandems of older and younger employees	2016 ff.	For example, through the "Aareal Bar-Camp" held for the first time on 1 June 2017, which is a discussion forum organised by young colleagues. "Digi Coaching" by trainees and students.		
Recruit, develop and retain talent	Continue sponsoring bachelor's and master's theses, deploy interns	ongoing	In progress		
Recruit, develop and retain talent	Offer a variety of formats, e.g. Girls' Day, Science Camp, IT Award, "Joblinge meets Aareon"	ongoing	For example, Aareon Science Camp on the subject of batteries and solar cells, and the presentation of the IT Award at the Schloss Hansenberg boarding school in October 2016. Aareal Bank Girls' Day was held on 27 April 2017, including a visit from Christiane Kunisch-Wolff, Member of the Management Board.		
Extend human resources development measures	Introduce a new, modular executive development programme	2016 ff.	Launched in 2016. New: Develop existing programme further in view of "Aareal 2020" requirements. Also, "100 Tage Plus" (development and advisory programme for GMD and F1 executives over 100 days).		
Extend human resources development measures	Introduce a new, modular expert development programme	2016 ff.	Launched in 2016. New: Develop existing programme further in view of "Aareal 2020" requirements. Establish new modules.		
Expand education and training	Set up a cross-company mentoring programme	2016	Following pilot phase, programme redesigned and launched on 7 November 2016.		
Expand education and training	Expand young talent concept and offer new training opportunities by 2017.	2017	Completed, and will be continuously adapted to the development of the Bank		

Key:
Not being pursued further
In focus
In progress
Completed and still in focus
Concluded



Operational resource management				Status as at 31 July 2017
Goal	Measure	Deadline	Status	
Increase resource efficiency	Implement energy-saving measures at the Wiesbaden site, such as using energy-saving lighting and highly efficient pumps, heat recovery and a building services automation system to monitor and optimise operations	ongoing	Further improvement expected through renewed participation in the Okoprofit environmental protection programme. See: https://www.aareal-bank.com/en/responsibility/implementing-solutions/environmental-and-climate-protection/	
Increase resource efficiency	Digitise previously paper-based procedures	ongoing	For example, the BKO1 eConnect electronic billing service. See: https://www.aareal-bank.com/en/products-consulting-and-solutions/energy-sector/electronic-billing/	
Increase resource efficiency	NEW: Prepare a comprehensive efficiency plan for the Facility Management (FM) division with external consultants	2018	Invitation to tender in Q1/2017.	
Increase resource efficiency	Investigate the use of a car-sharing platform	2016 ff.	No use planned at present, to be developed by trainees if applicable.	
Avoid or reduce CO2 emissions	Cut CO2 emissions by sourcing 100% green electricity for the Wiesbaden and Mainz buildings and other German locations	ongoing	Most of the German locations, along with the international Warsaw and Stockholm locations, have already been converted to green electricity. Conversion of other locations is being investigated.	
Avoid or reduce CO2 emissions	Participate in the "Ökoprofit" club for Wiesbaden and Mainz	ongoing	Certificate for Wiesbaden received on 13 July 2016, for Mainz received on 28 November 2016. Closing date for Ökoprofit 2017 is in January 2018.	
Avoid or reduce CO2 emissions	Examine and, where appropriate, implement the measures identified in the course of the energy audit performed in accordance with the German Energy Services Act (Energiedienstleistungsgesetz – EDL-G)	2016	Energy audits completed, implementation of identified measures ongoing. Spot test successfully passed by WestImmo location in Mainz.	
Optimise energy costs and improve quality of use for employees	Carry out various conversion and modernisation measures at the Wiesbaden site, including the conference zone	ongoing	Internal conversion ongoing. Completion planned for 2018.	

Sustainable procurement				Status as at 31 July 2017
Goal	Measure	Deadline	Status	
Oblige suppliers to comply with minimum ethical and environmental standards	Draw up a Group-wide code of conduct for suppliers and implement gradually starting in 2016	2016	Online since end of August 2016. In the case of existing contracts, the principles of the Code of Conduct for Suppliers are contained in the General Business Conditions. Implementation at suppliers completed. Mandatory element for new business. See: https://www.aareal-bank.com/fileadmin/DAM_Content/Konzern/dokumente/Code_of_Conduct_Lieferanten_E.pdf	
Reduce environmental footprint	Aareal Bank to support fleet management at Westdeutsche Immobilien Servicing AG.	2016	Westdeutsche ImmobilienBank has been fully integrated into the Group since 30 June 2017.	
Reduce environmental footprint	Westdeutsche Immobilien Servicing AG to be obliged to comply with the travel guidelines and book business trips through the "Egencia" travel agency.	2016	Westdeutsche ImmobilienBank has been fully integrated into the Group since 30 June 2017.	
Reduce environmental footprint	Procure an electric car as a pool vehicle for the Paris and Mainz locations	2016	Wiesbaden: pilot phase in Q3/2016 Mainz: electric car procured as a pool vehicle in February 2016. Paris: electric car purchased in June 2016.	
Reduce environmental footprint	Update the Company Car policy	2016	Implementation envisaged for 2017. Integration of further sustainability aspects planned.	

Key: Not being pursued further



In focus



In progress



Completed and still in focus



Concluded

