

ASSESSMENT REPORT 2016

KfW Bankengruppe

SHARING THIS REPORT

The PRI will not publish the assessment reports in 2016 however signatories can publish or share this report. Should they choose to share/publish, they must:

- Refer to the PRI assessment methodology;
- Refer to their full Assessment Report if only a section is published;
- Refer to their Transparency Report; and
- Take every care not to represent scores out of context.

PRI DISCLAIMER

This document is based on information reported directly by signatories. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report.

INTRODUCTION

Thank you for participating in the annual PRI Reporting and Assessment process.

The Assessment report is designed to provide feedback to signatories to support ongoing learning and development.

A brief description of the information presented in each section of this report and how it should be interpreted is provided below. Further information about the high-level assessment methodology can be found [here](#) and a companion document explaining the assessment of each indicator can be found [here](#).

ORGANISATIONAL OVERVIEW

This section provides an overview of the main characteristics of your organisation. This information determined which modules and indicators you reported on and determines your peer groups.

SUMMARY SCORECARD

This section provides an overview of your aggregate score for each module and the median score. These bands range from 'A+' (top band) to 'E' (lowest band).

ASSESSMENT BY MODULE

For each module you reported on, you will see a section that shows your:

- Indicator scorecard
- Section scores
- Comparison to peer groups

INDICATOR SCORECARD AND MODULE SCORES

Your indicator scorecard summarises the scores you achieved for each core and additional assessed indicator within each module.

These will range from ☆☆☆ to ★★★★★. It also provides basic information about the performance of your organisation compared with other signatories that responded to that indicator. The number of stars determines your overall module score. Please refer to the [assessment methodology](#) summary for additional information about how these scores are calculated.

SECTION SCORES

Each module is divided into several sections. The total number of stars you can achieve in each section are added together and presented in a spider chart.

PEER COMPARISON

Your total aggregated performance band for each module will be compared against your peer groups in a series of distribution charts.

CONFIDENTIALITY

The results of signatory's assessments can be shared and published externally if the signatory wishes to do so. PRI will not publish the assessment reports in 2016. Please see a full explanation on Page 2 of this report.

For more information, please contact the PRI's Reporting and Assessment Team on reporting@unpri.org or +44 (0) 20 3714 3185

SUMMARY

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.


MAIN CHARACTERISTICS	
Name	KfW Bankengruppe
Signatory Category	Asset Owner
Signatory Type	Development finance institution
Size	US\$ > 10 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2006
Region	Europe
Country	Germany
Disclosure of Voluntary Indicators	76% from 21 Voluntary indicators

YOUR ORGANISATION'S ASSETS UNDER MANAGEMENT (AUM) [†]		
ASSET CLASS	INTERNALLY MANAGED (%)	EXTERNALLY MANAGED (%)
Listed equity	0	0
Fixed income	>50%	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other 1	0	0
Other 2	0	0




[†]Asset classes were aggregated to four ranges: 0%; <10%; 10-50% and >50%

Summary Scorecard

AUM	Module name	Your score	Your Score	Median Score
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		AUM	Module name	Your score	Your Score	Median Score
			01. Strategy & Governance	A		
Indirect – Manager Selection, Appointment & Monitoring	0		02. Listed Equity	Not applicable		
	0		03. Fixed Income – SSA	Not applicable		
	0		04. Fixed Income – Corporate Financial	Not applicable		
	0		05. Fixed Income – Corporate Non-Financial	Not applicable		
	0		06. Fixed Income – Securitised	Not applicable		
	0		07. Private Equity	Not applicable		
	0		08. Property	Not applicable		
	0		09. Infrastructure	Not applicable		

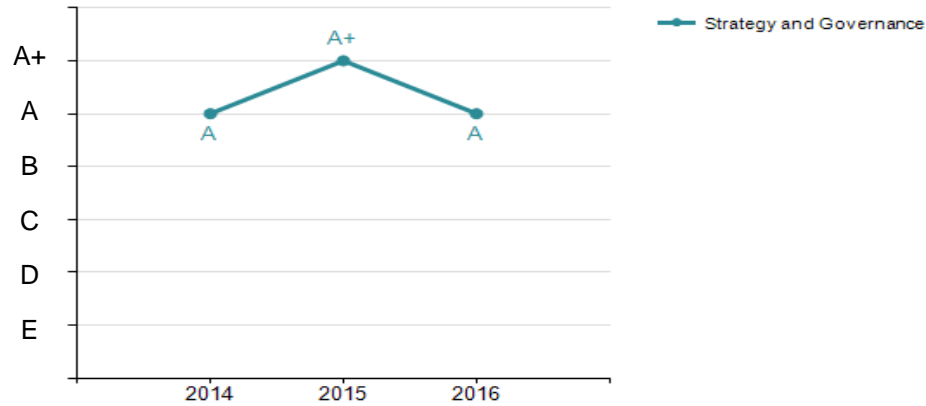
AUM	Module name	Your score	Your Score	Median Score
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		AUM	Module name	Your score	Your Score	Median Score
		0	10. Listed Equity – Incorporation	Not applicable		
		0*	11. Listed Equity – Active Ownership	Not applicable		
Direct & Active Ownership Modules	10-50%		12. Fixed Income – SSA	A		
	<10%		13. Fixed Income – Corporate Financial	A		
	0		14. Fixed Income – Corporate Non-Financial	Not applicable		
	10-50%		15. Fixed Income – Securitised	A		
	0		16. Private Equity	Not applicable		
	0		17. Property	Not applicable		
	0		18. Infrastructure	Not applicable		

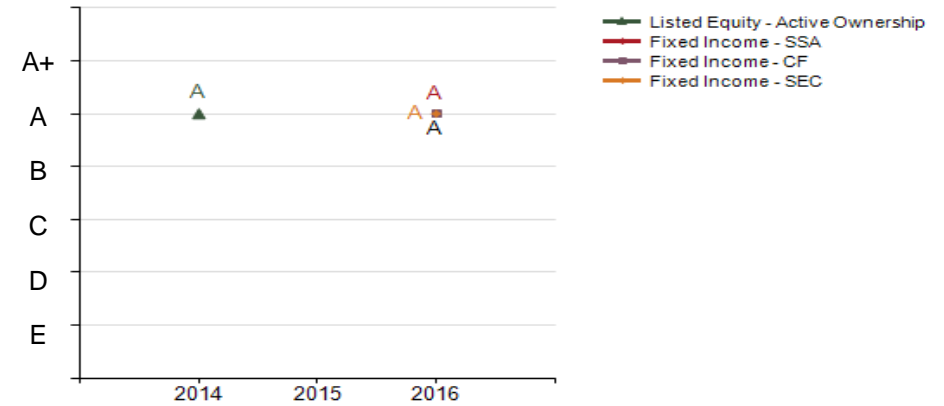
Your company year-on-year performance

See how your module scores have performed across years

“Strategy & Governance” & “Indirect - Manager Sel., App. & Mon.” modules



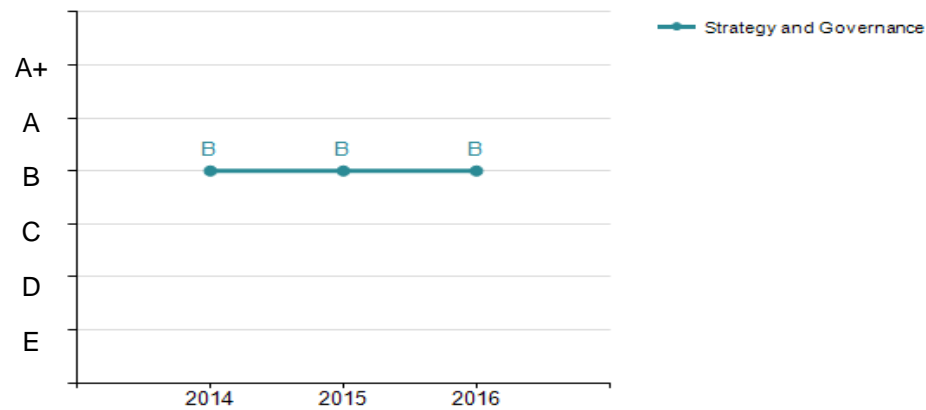
“Direct and Active Ownership” modules



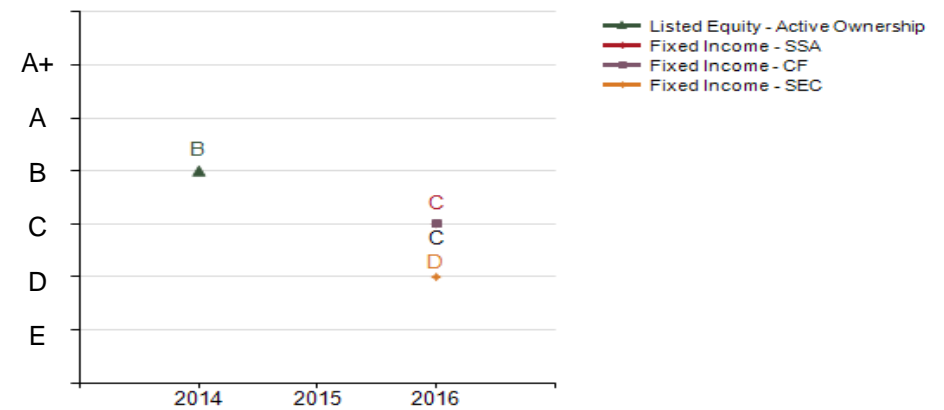
Average year-on-year trends

The average performance of other signatories across years

“Strategy & Governance” & “Indirect - Manager Sel., App. & Mon.” modules



Direct and Active Ownership modules



ASSESSMENT BY MODULE

Strategy and Governance

INDICATOR SCORECARD

This module covers your organisation's overall approach to responsible investment, including governance, responsible investment policy, objectives and targets, the resources allocated to responsible investment and the approach to collaboration on responsible investment and public policy-related issues.

If your organisation did not respond to an applicable indicator, you will see a score of ☆☆☆.

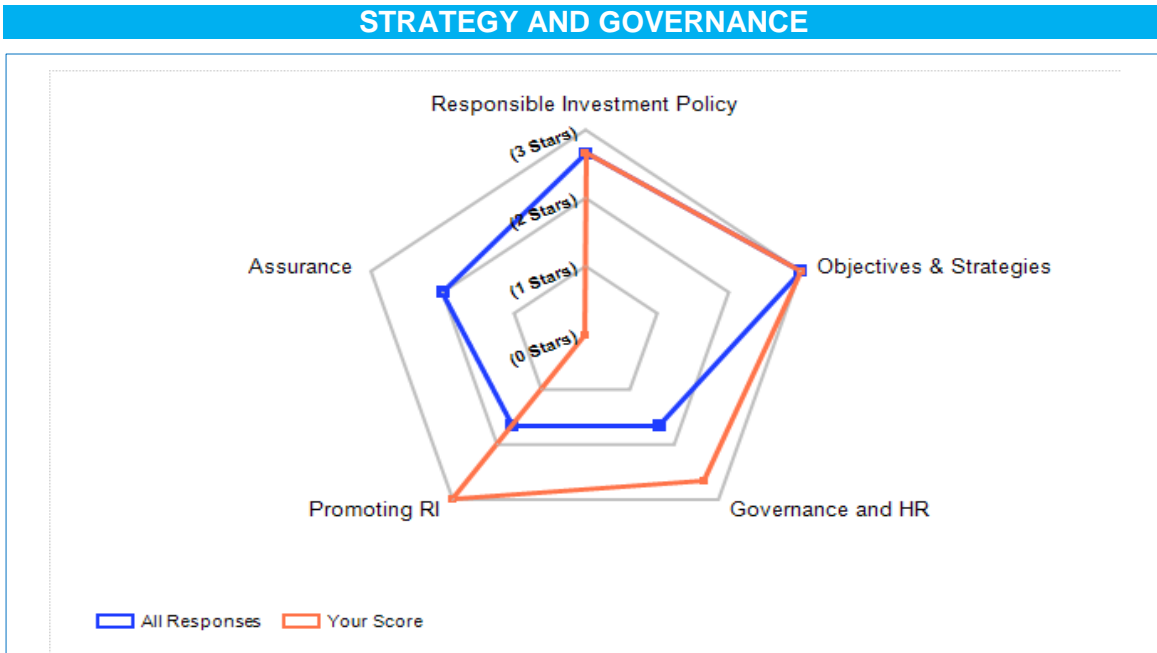
Module	STRATEGY AND GOVERNANCE
Total Score	28 ★ (out of a maximum 30 ★ from 10 ^{†††} indicators including the following additionally assessed indicators: SG 07a, SG 10, SG 07b)
Band	A

SECTION	INDICATOR			MEDIAN PEER SCORE (# peers)	YOUR SCORE	
	NUMBER	TYPE	TOPIC			
RI POLICY	SG 01	CORE	RI Policy and coverage	★★★ (1061)	★★★★	—
	SG 02	CORE	Publicly available RI policy or guidance documents	★★☆ (1061)	★★★☆☆	↓
	SG 03	CORE	Conflicts of interest	★★★ (1061)	★★★★	—
OBJECTIVES & STRATEGIES	SG 04	CORE	RI goals and objectives	★★★ (1061)	★★★★	—
GOVERNANCE & HUMAN RESOURCES	SG 06	CORE	RI roles and responsibilities	★★★ (1061)	★★★★	—
	SG 07a	ADDITIONAL	RI in performance management & rewards	★★★ (1061)	★★★★	—
	SG 07b	ADDITIONAL	RI in personal development / training	☆☆☆ (1061)	★★★☆☆	—
PROMOTING RI	SG 08	CORE	Collaborative organisations / initiatives	★★☆ (1061)	★★★★	—
	SG 09	CORE	Promoting RI independently	★★★ (1061)	★★★★	—
	SG 10	ADDITIONAL	Dialogue with public policy makers	☆☆☆ (1061)	★★★★	—
ASSURANCE OF RESPONSES	SG 18	ADDITIONAL	Internal / external review of responses	★★☆ (1061)	☆☆☆☆	↓

†††The total number of indicators used to determine your score may be less than the full set of indicators above as the [assessment methodology](#) discards your lowest scoring additional assessed indicators.

SECTION SCORES

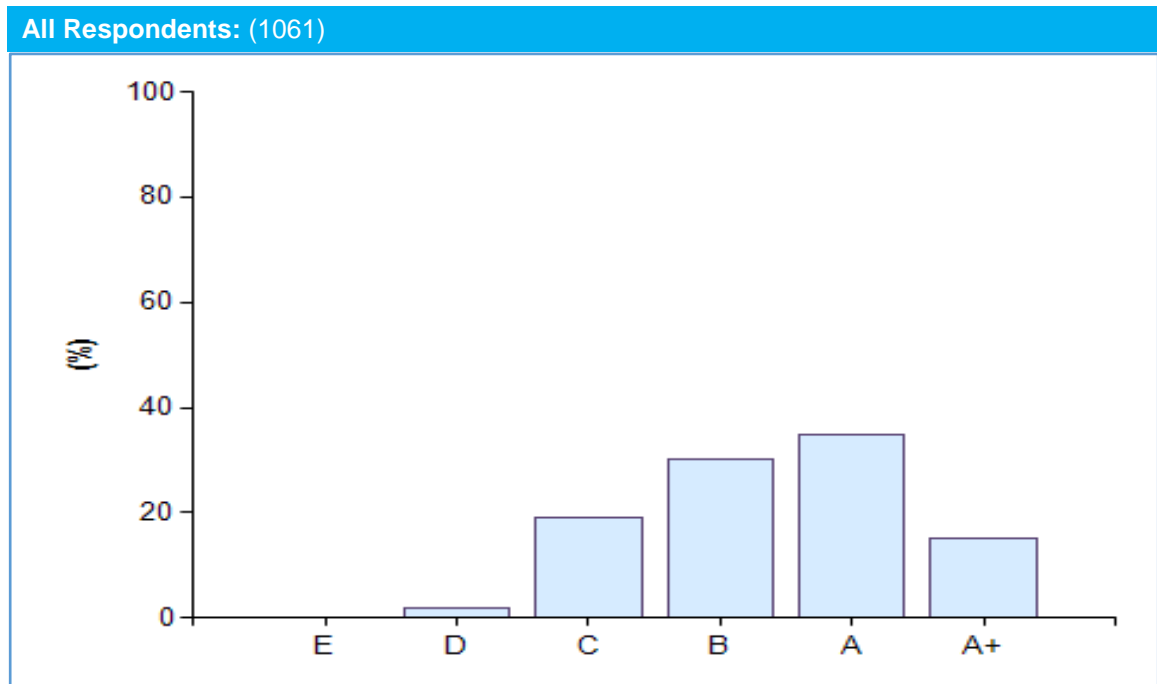
This chart summarises your scores across each section of the Strategy and Governance module against the average scores for other signatories reporting in this module.



COMPARISON WITH PEERS

Your Strategy and Governance module score has been compared to relevant peer groups in a series of distribution charts below.

Module	STRATEGY AND GOVERNANCE
Band	A

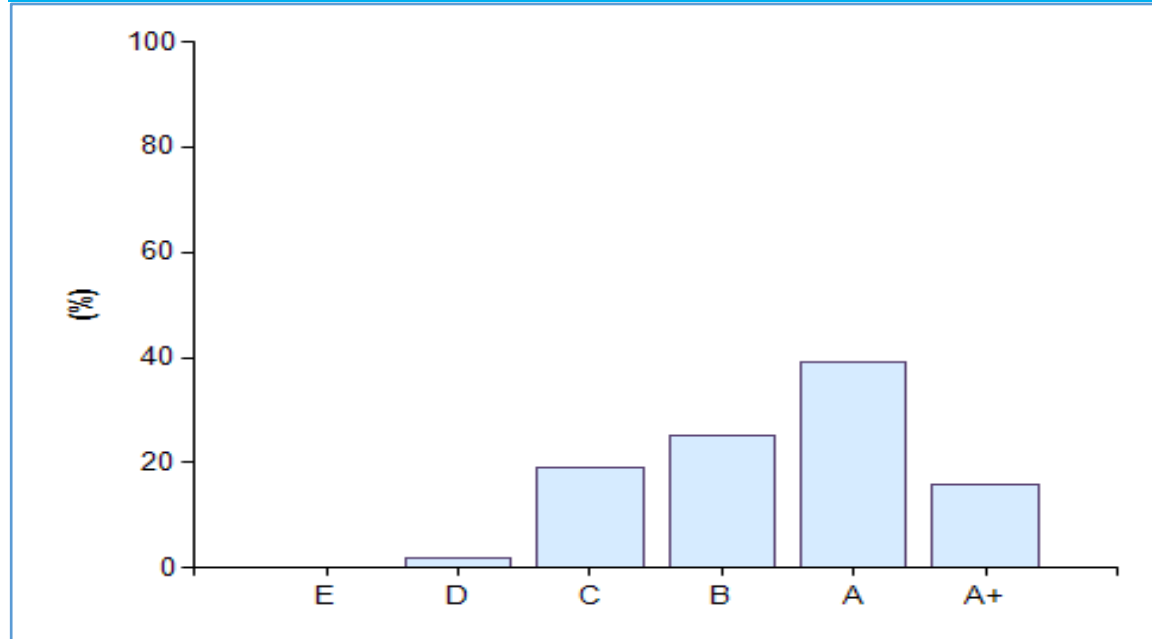


COMPARISON WITH PEERS

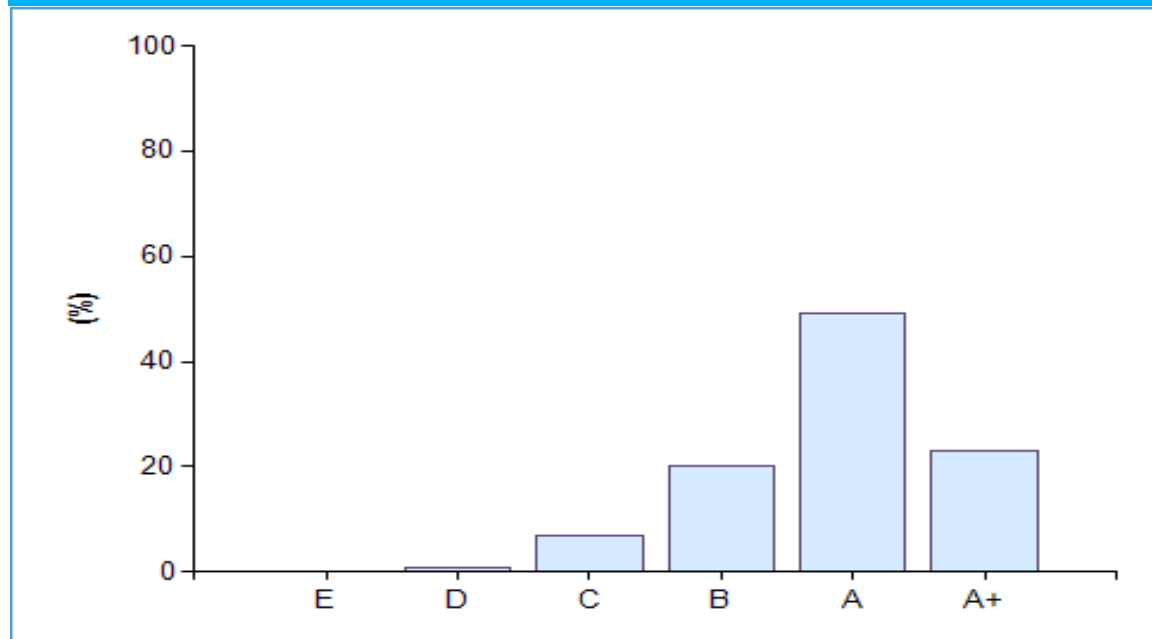
Your Strategy and Governance module score has been compared to relevant peer groups in a series of distribution charts below.

Module	STRATEGY AND GOVERNANCE
Band	A

Category: Asset Owner (271)



Size: US\$ > 10 billion AUM (123 Asset Owners)

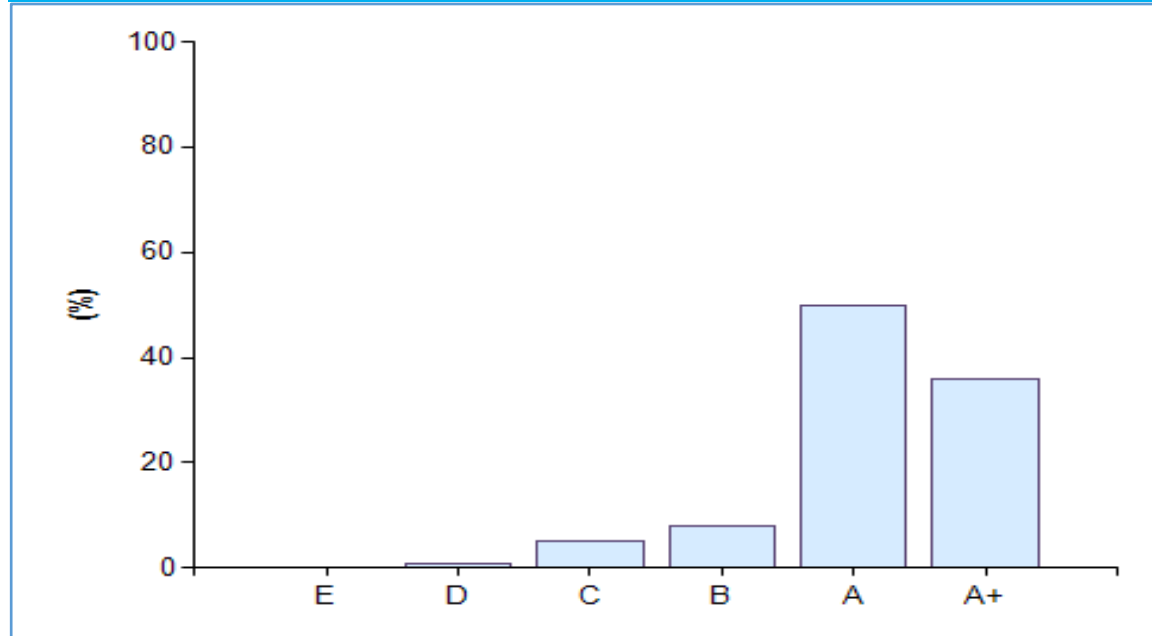


COMPARISON WITH PEERS

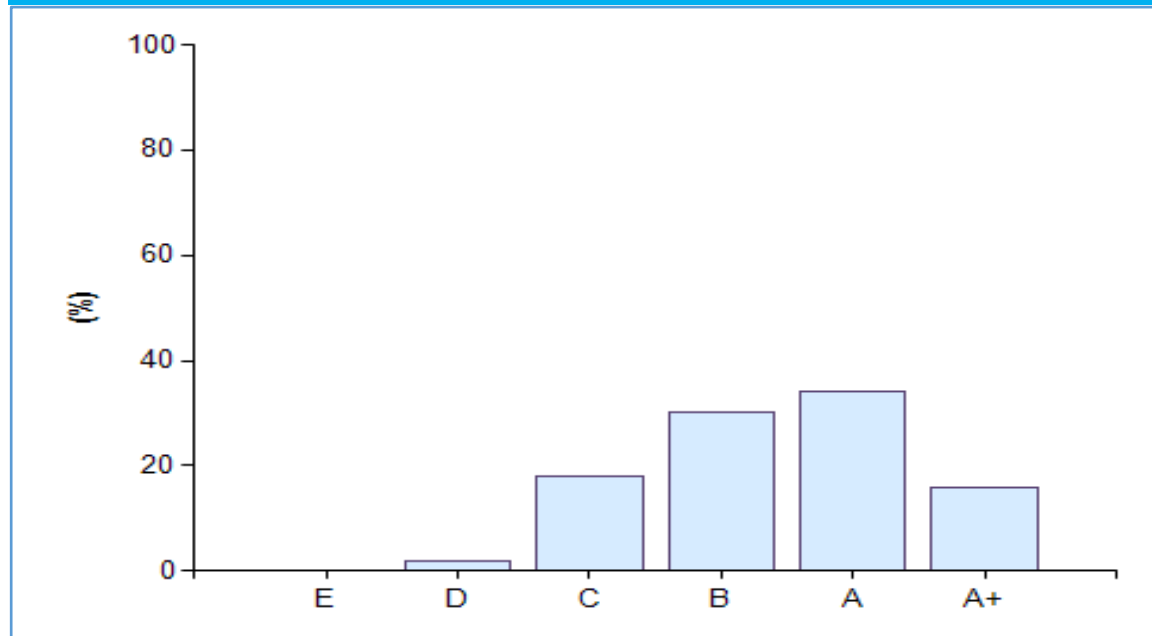
Your Strategy and Governance module score has been compared to relevant peer groups in a series of distribution charts below.

Module	STRATEGY AND GOVERNANCE
Band	A

Signed PRI: 2006 (80 Investment Managers & Asset Owners)



Region: Europe (596 Investment Managers & Asset Owners)



DIRECT – FIXED INCOME (SSA)

INDICATOR SCORECARD

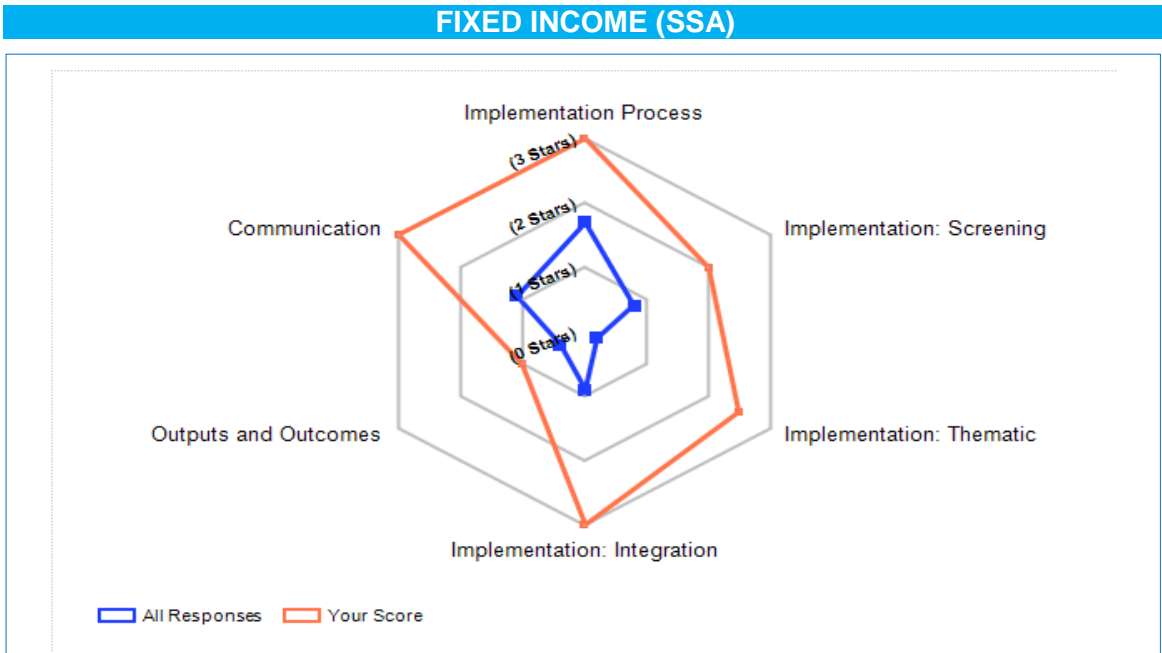
This module looks at how your organisation applies ESG to your internally managed fixed income (SSA) holdings.

Module	FIXED INCOME (SSA)
Total Score	30 ★ (out of a maximum 33 ★ from 11 indicators including the following additionally assessed indicators: FI 16, FI 13, FI 09)
Band	A

SECTION	INDICATOR			MEDIAN PEER SCORE (# peers)	YOUR SCORE	
	NUMBER	TYPE	TOPIC			
IMPLEMENTATION PROCESSES	FI 05.1	CORE	ESG issues and issuer research	★★★ (362)	★★★★	—
	FI 05.2	CORE	ESG issues and issuer research	★★★ (362)	★★★★	—
	FI 06	CORE	Processes to ensure analysis is robust	★★★ (362)	★★★★	—
IMPLEMENTATION: SCREENING	FI 09	ADDITIONAL	Examples of ESG factors in screening process	☆☆☆ (316)	★★★☆☆	—
	FI 10a	CORE	Negative Screening - ensuring criteria are met	☆☆☆ (286)	★★★★	—
	FI 10b	CORE	Positive Screening - ensuring criteria are met	☆☆☆ (223)	n/a	—
	FI 10c	CORE	Norms Screening - ensuring criteria are met	☆☆☆ (222)	n/a	—
IMPLEMENTATION: THEMATIC	FI 12	CORE	Themed bond processes	☆☆☆ (196)	★★★★	—
	FI 13	ADDITIONAL	Assessing impact	☆☆☆ (196)	★★★☆☆	—
IMPLEMENTATION: INTEGRATION	FI 15	CORE	ESG information in investment processes	☆☆☆ (294)	★★★★	—
	FI 16	ADDITIONAL	E,S and G issues reviewed	☆☆☆ (294)	★★★★	—
OUTPUTS AND OUTCOMES	FI 21	ADDITIONAL	Financial/ESG performance	☆☆☆ (362)	★★★☆☆	—
COMMUNICATION	FI 23a	CORE	Disclosure of approach to public	★★★ (362)	★★★★	—
	FI 23b	CORE	Disclosure of approach to clients/beneficiaries	★★★ (362)	★★★★	—

SECTION SCORES

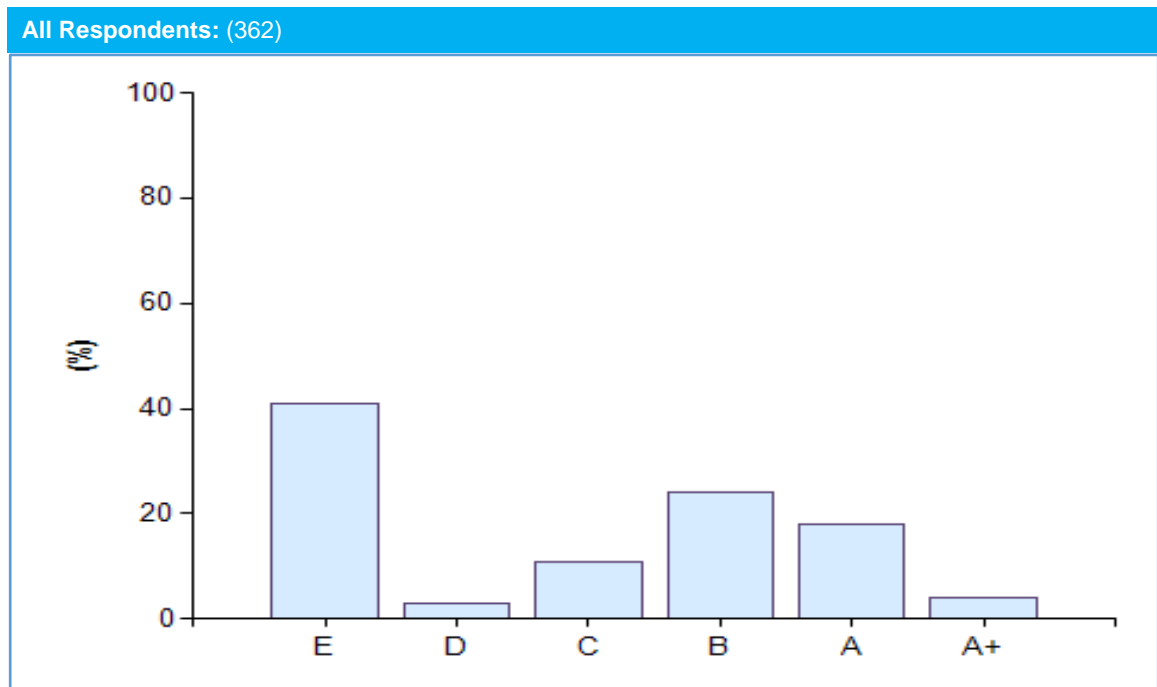
This chart summarises your scores across each section of the Fixed Income (SSA) module against the average scores for other signatories reporting in this module.



COMPARISON WITH PEERS

Your Direct – Fixed income (SSA) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME (SSA)
Band	A

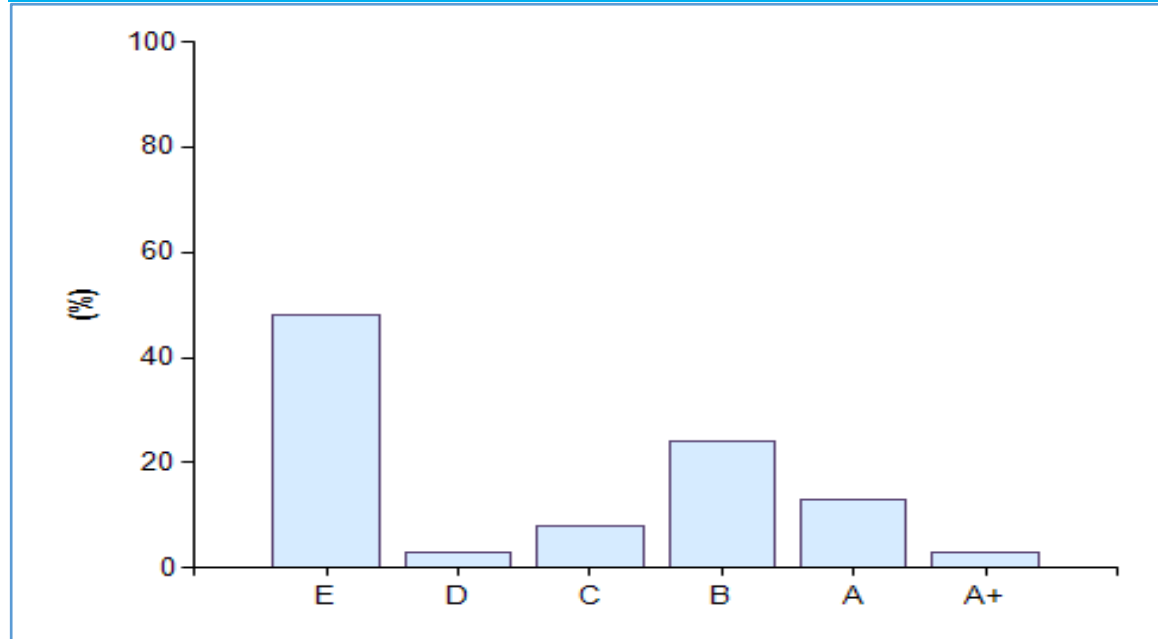


COMPARISON WITH PEERS

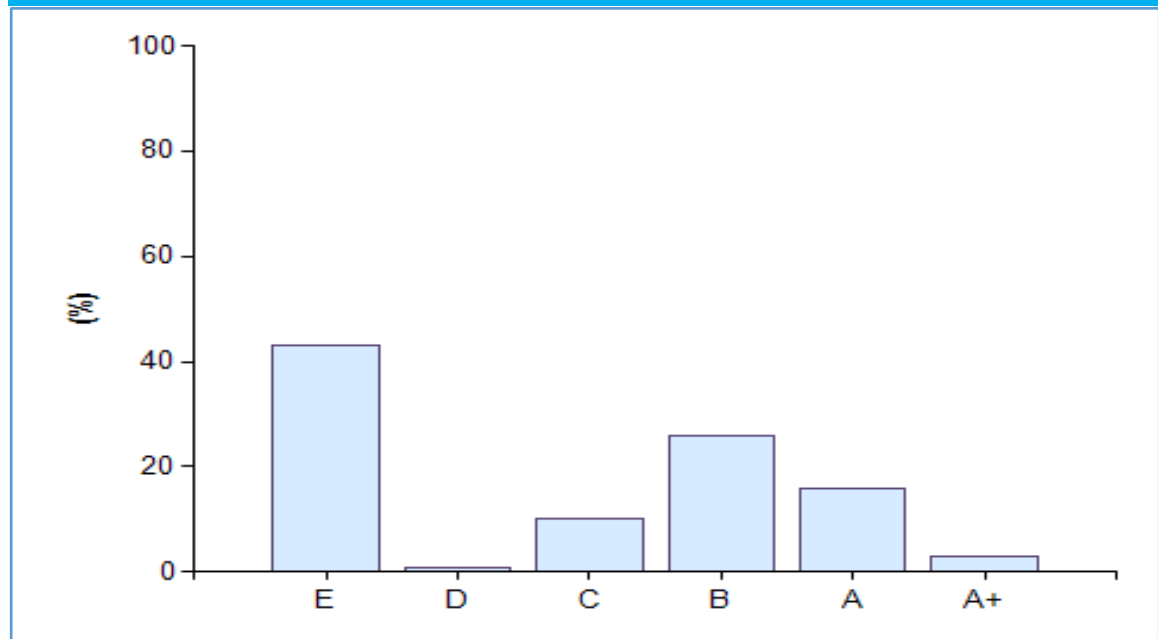
Your Direct – Fixed income (SSA) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME (SSA)
Band	A

Category: Asset Owner (97)



Size: US\$ > 10 billion AUM (69 Asset Owners)

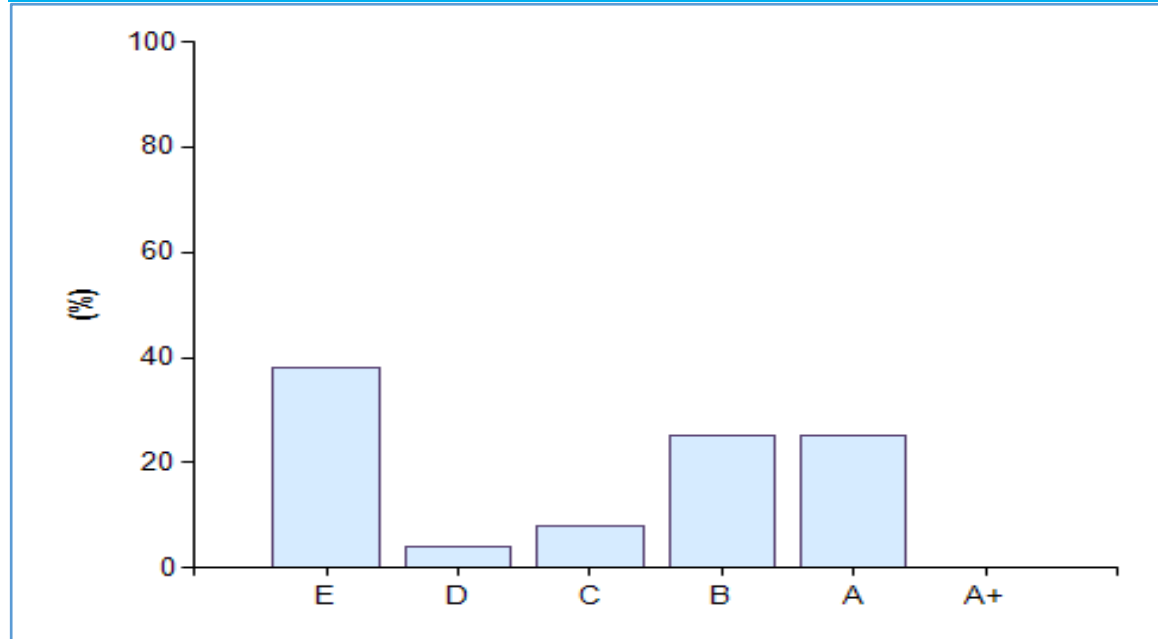


COMPARISON WITH PEERS

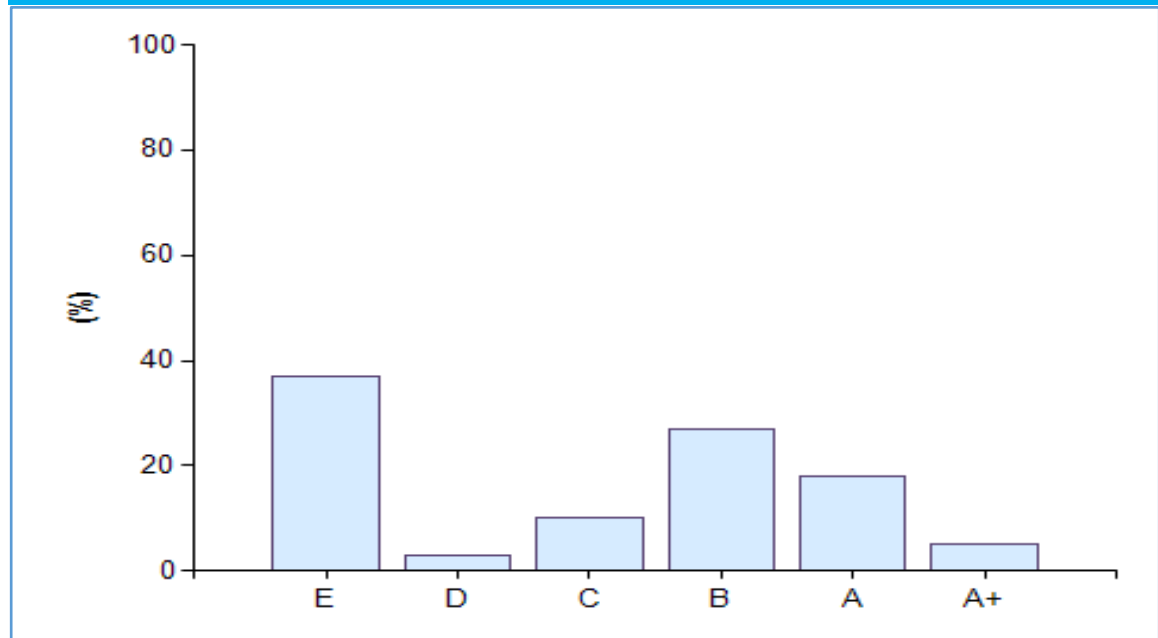
Your Direct – Fixed income (SSA) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME (SSA)
Band	A

Signed PRI: 2006 (24 Investment Managers & Asset Owners)



Region: Europe (60 Investment Managers & Asset Owners)



DIRECT – FIXED INCOME CORPORATE (FINANCIAL)

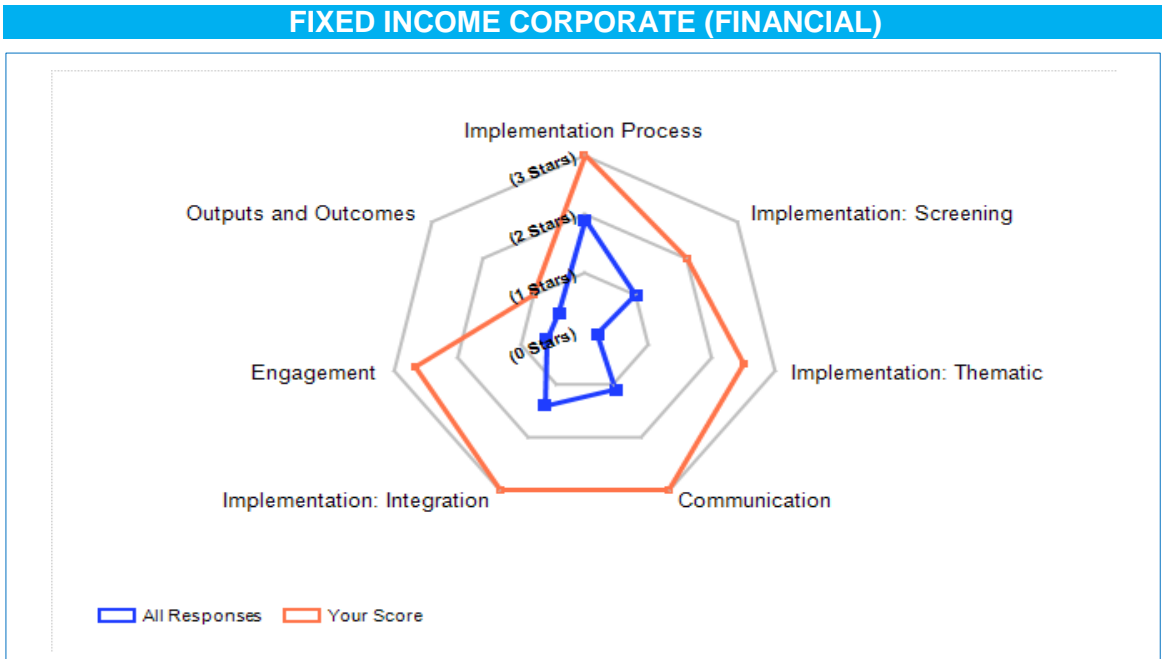
INDICATOR SCORECARD

Module	FIXED INCOME CORPORATE (FINANCIAL)
Total Score	37★ (out of a maximum 39★ from 13 indicators including the following additionally assessed indicators: FI 16, FI 20, FI 19, FI 13)
Band	A

SECTION	INDICATOR			MEDIAN PEER SCORE (# peers)	YOUR SCORE	
	NUMBER	TYPE	TOPIC			
IMPLEMENTATION PROCESSES	FI 05.1	CORE	ESG issues and issuer research	★★★ (345)	★★★★	—
	FI 05.2	CORE	ESG issues and issuer research	★★☆ (345)	★★★★	—
	FI 06	CORE	Processes to ensure analysis is robust	★★☆ (345)	★★★★	—
IMPLEMENTATION: SCREENING	FI 09	ADDITIONAL	Examples of ESG factors in screening process	☆☆☆ (293)	★☆☆	—
	FI 10a	CORE	Negative Screening - ensuring criteria are met	★★☆ (272)	★★★★	—
	FI 10b	CORE	Positive Screening - ensuring criteria are met	★☆☆ (189)	n/a	—
	FI 10c	CORE	Norms Screening - ensuring criteria are met	★☆☆ (196)	n/a	—
IMPLEMENTATION: THEMATIC	FI 12	CORE	Themed bond processes	☆☆☆ (141)	★★★★	—
	FI 13	ADDITIONAL	Assessing impact	☆☆☆ (141)	★★★☆☆	—
IMPLEMENTATION: INTEGRATION	FI 15	CORE	ESG information in investment processes	★★☆ (273)	★★★★	—
	FI 16	ADDITIONAL	E,S and G issues reviewed	★★★ (273)	★★★★	—
ENGAGEMENT	FI 18	CORE	Engagement overview and coverage	☆☆☆ (345)	★★★★	—
	FI 19	ADDITIONAL	Engagement method	☆☆☆ (345)	★★★☆☆	—
	FI 20	ADDITIONAL	Engagement policy disclosure	☆☆☆ (345)	★★★★	—
OUTPUTS AND OUTCOMES	FI 21	ADDITIONAL	Financial/ESG performance	☆☆☆ (345)	★★★☆☆	—
COMMUNICATION	FI 23a	CORE	Disclosure of approach to public	☆☆☆ (345)	★★★★	—
	FI 23b	CORE	Disclosure of approach to clients/beneficiaries	★★☆ (345)	★★★★	—

SECTION SCORES

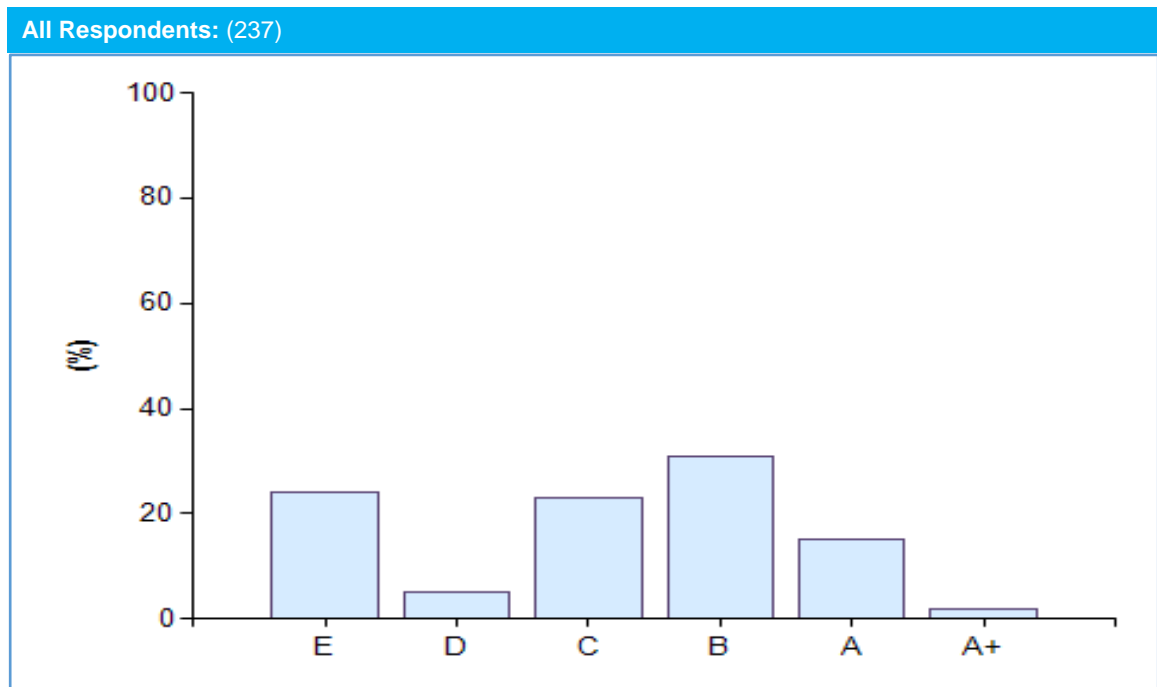
This chart summarises your scores across each section of the Fixed Income Corporate (Financial) module against the average scores for other signatories reporting in this module.



COMPARISON WITH PEERS

Your Direct – Fixed Income Corporate (Financial) SSA module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME – CORPORATE (FINANCIAL)
Band	A

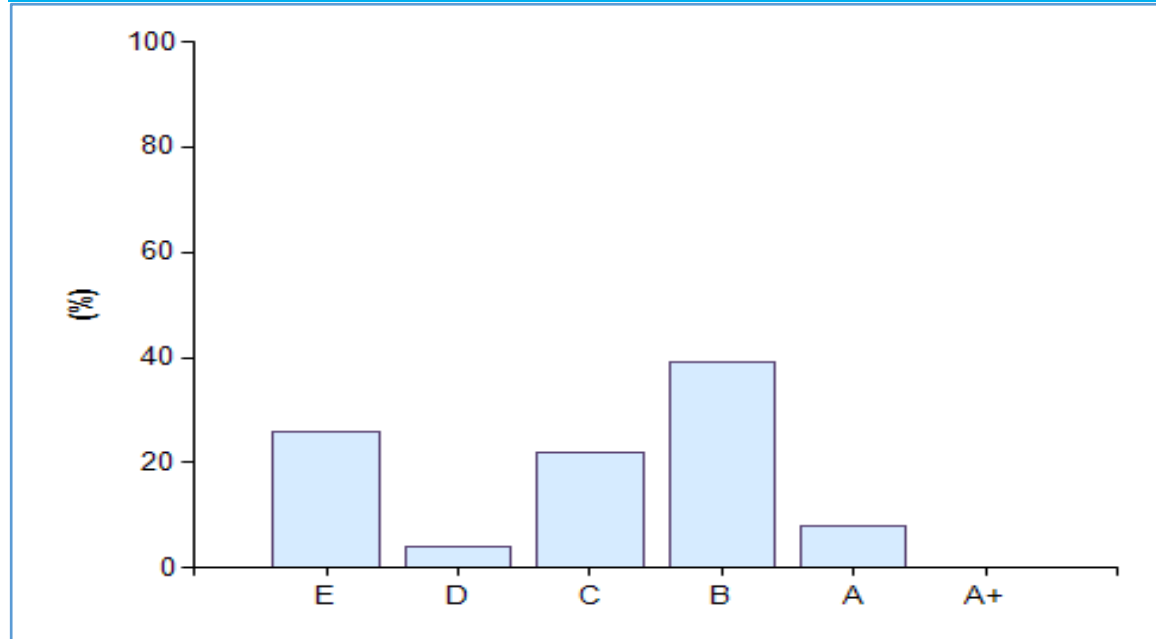


COMPARISON WITH PEERS

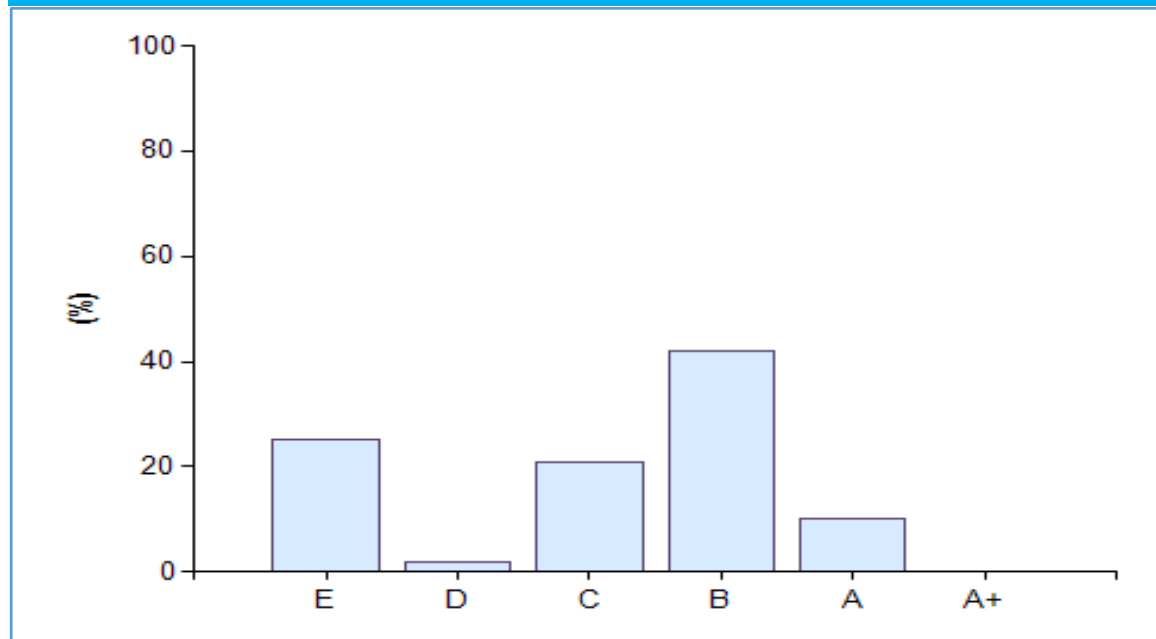
Your Direct – Fixed Income Corporate (Financial) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME CORPORATE (FINANCIAL)
Band	A

Category: Asset Owner (72)



Size: US\$ > 10 billion AUM (48 Asset Owners)

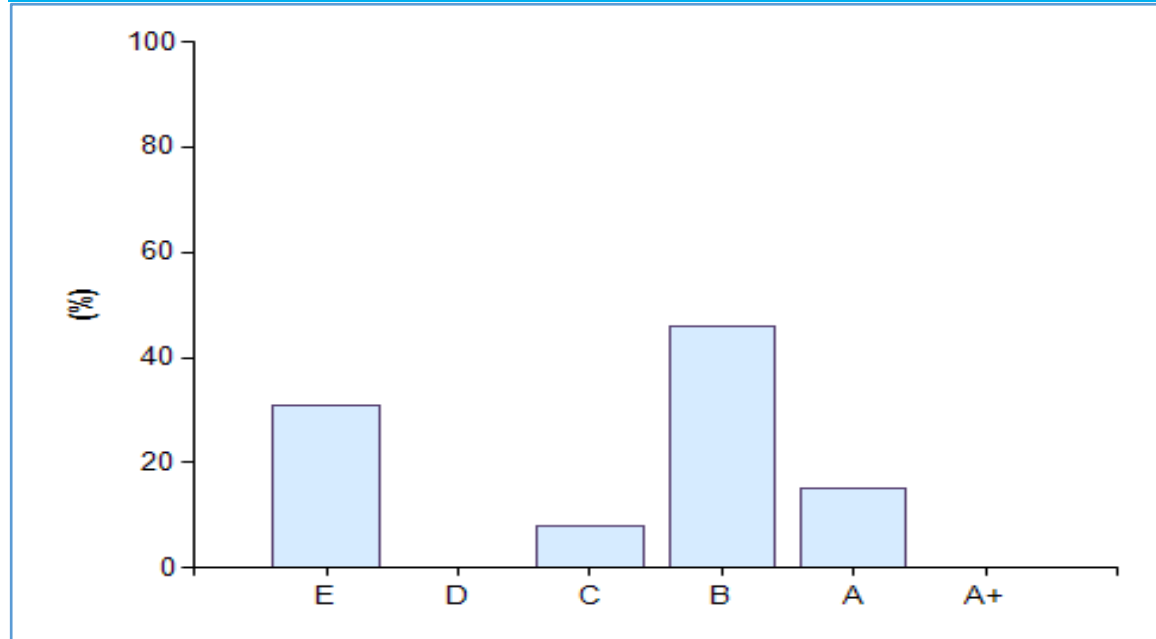


COMPARISON WITH PEERS

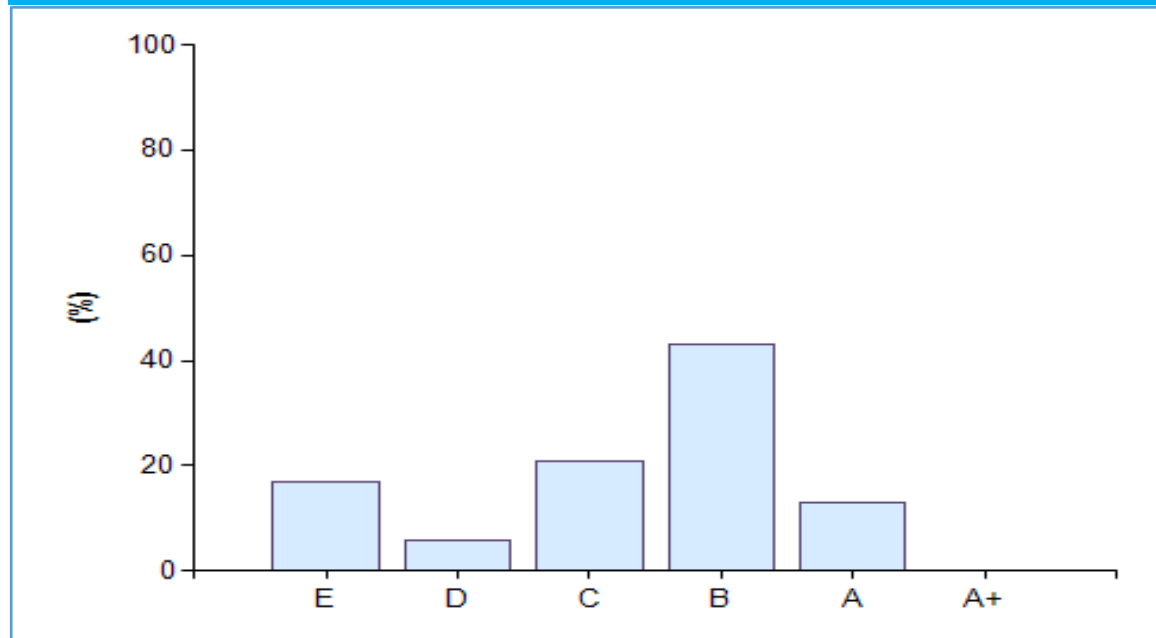
Your Direct – Fixed Income Corporate (Financial) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME CORPORATE (FINANCIAL)
Band	A

Signed PRI: 2006 (13 Investment Managers & Asset Owners)



Region: Europe (47 Investment Managers & Asset Owners)



DIRECT – FIXED INCOME SECURITISED

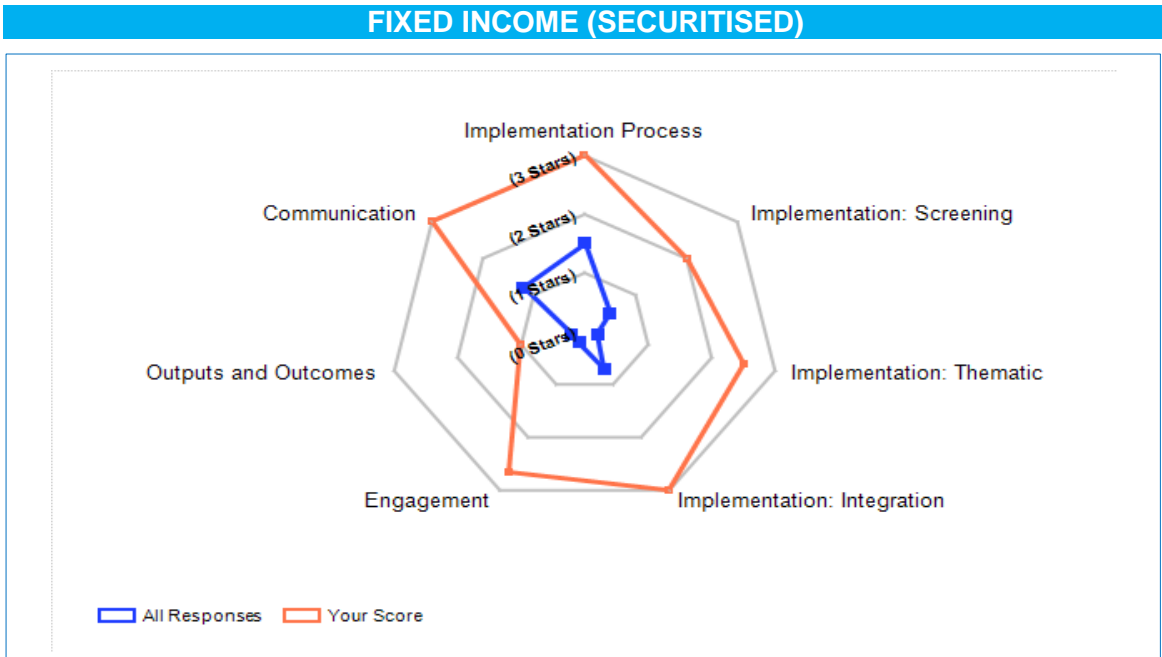
INDICATOR SCORECARD

Module	FIXED INCOME (SECURITISED)
Total Score	35 ★ (out of a maximum 39 ★ from 13 indicators including the following additionally assessed indicators: FI 16, FI 20, FI 19)
Band	A

SECTION	INDICATOR			MEDIAN PEER SCORE (# peers)	YOUR SCORE	
	NUMBER	TYPE	TOPIC			
IMPLEMENTATION PROCESSES	FI 05.1	CORE	ESG issues and issuer research	☆☆☆ (167)	★★★★	—
	FI 05.2	CORE	ESG issues and issuer research	☆☆☆ (167)	★★★★	—
	FI 06	CORE	Processes to ensure analysis is robust	☆☆☆ (167)	★★★★	—
IMPLEMENTATION: SCREENING	FI 09	ADDITIONAL	Examples of ESG factors in screening process	☆☆☆ (154)	★☆☆	—
	FI 10a	CORE	Negative Screening - ensuring criteria are met	☆☆☆ (145)	★★★★	—
	FI 10b	CORE	Positive Screening - ensuring criteria are met	☆☆☆ (122)	n/a	—
	FI 10c	CORE	Norms Screening - ensuring criteria are met	☆☆☆ (122)	n/a	—
IMPLEMENTATION: THEMATIC	FI 12	CORE	Themed bond processes	☆☆☆ (120)	★★★★	—
	FI 13	ADDITIONAL	Assessing impact	☆☆☆ (120)	★★★☆☆	—
IMPLEMENTATION: INTEGRATION	FI 15	CORE	ESG information in investment processes	☆☆☆ (148)	★★★★	—
	FI 16	ADDITIONAL	E,S and G issues reviewed	☆☆☆ (148)	★★★★	—
ENGAGEMENT	FI 18	CORE	Engagement overview and coverage	☆☆☆ (167)	★★★★	—
	FI 19	ADDITIONAL	Engagement method	☆☆☆ (167)	★★★☆☆	—
	FI 20	ADDITIONAL	Engagement policy disclosure	☆☆☆ (167)	★★★★	—
OUTPUTS AND OUTCOMES	FI 21	ADDITIONAL	Financial/ESG performance	☆☆☆ (167)	★☆☆	—
COMMUNICATION	FI 23a	CORE	Disclosure of approach to public	☆☆☆ (167)	★★★★	—
	FI 23b	CORE	Disclosure of approach to clients/beneficiaries	☆☆☆ (167)	★★★★	—

SECTION SCORES

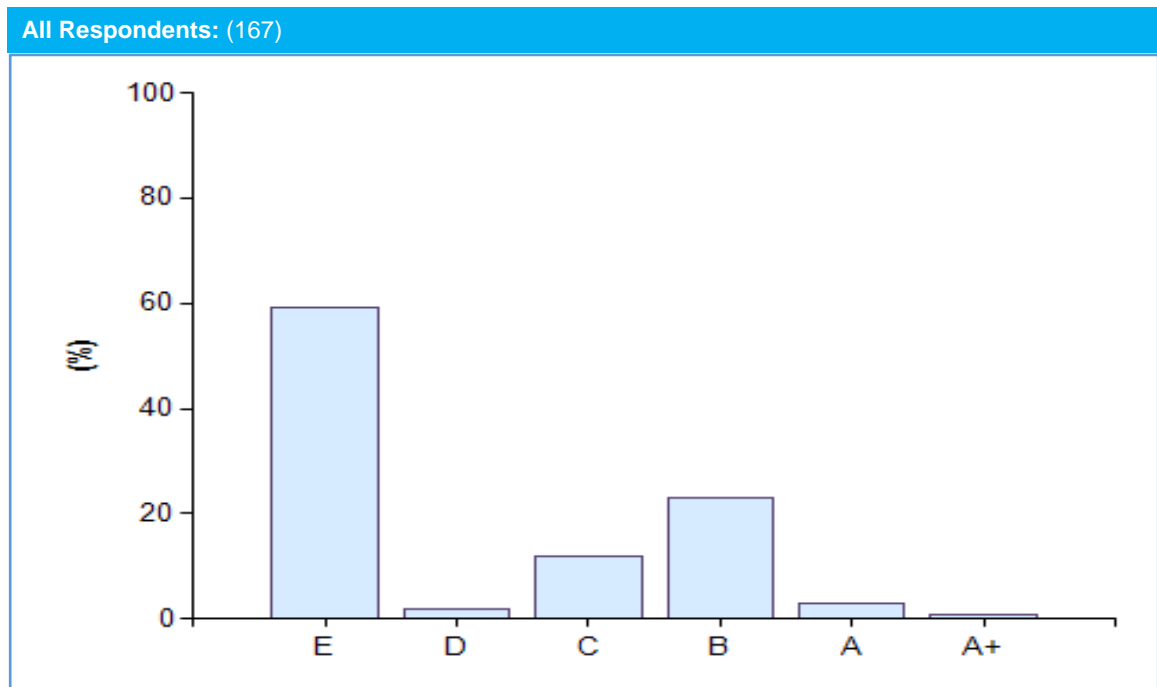
This chart summarises your scores across each section of the Fixed Income (Securitised) module against the average scores for other signatories reporting in this module.



COMPARISON WITH PEERS

Your Direct – Fixed income (Securitised) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME (SECURITISED)
Band	A

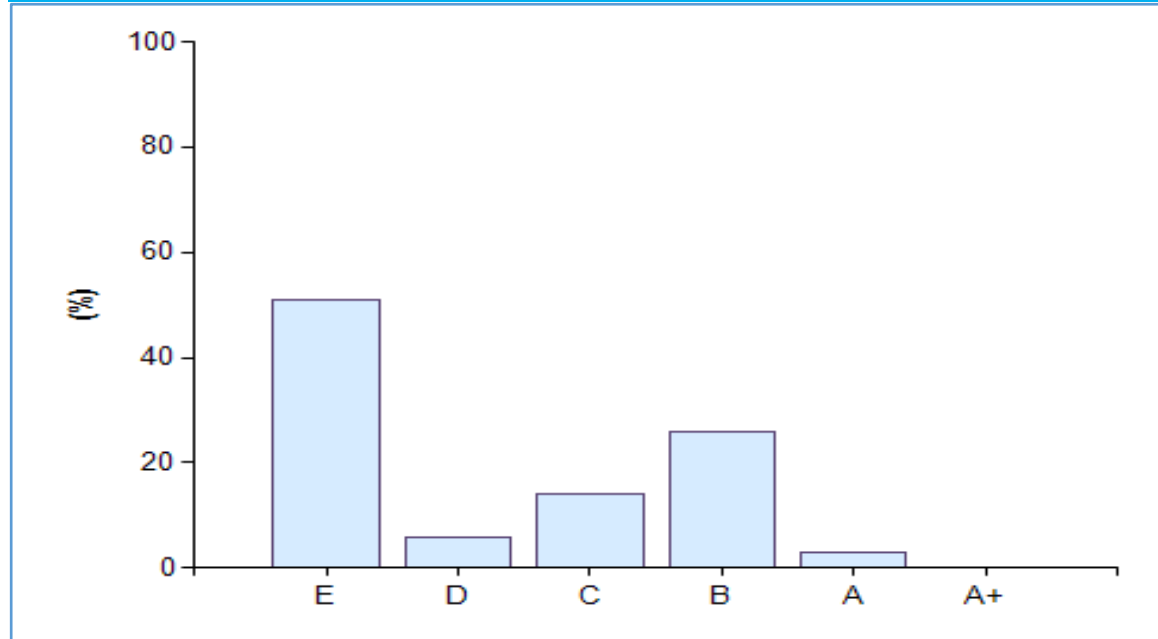


COMPARISON WITH PEERS

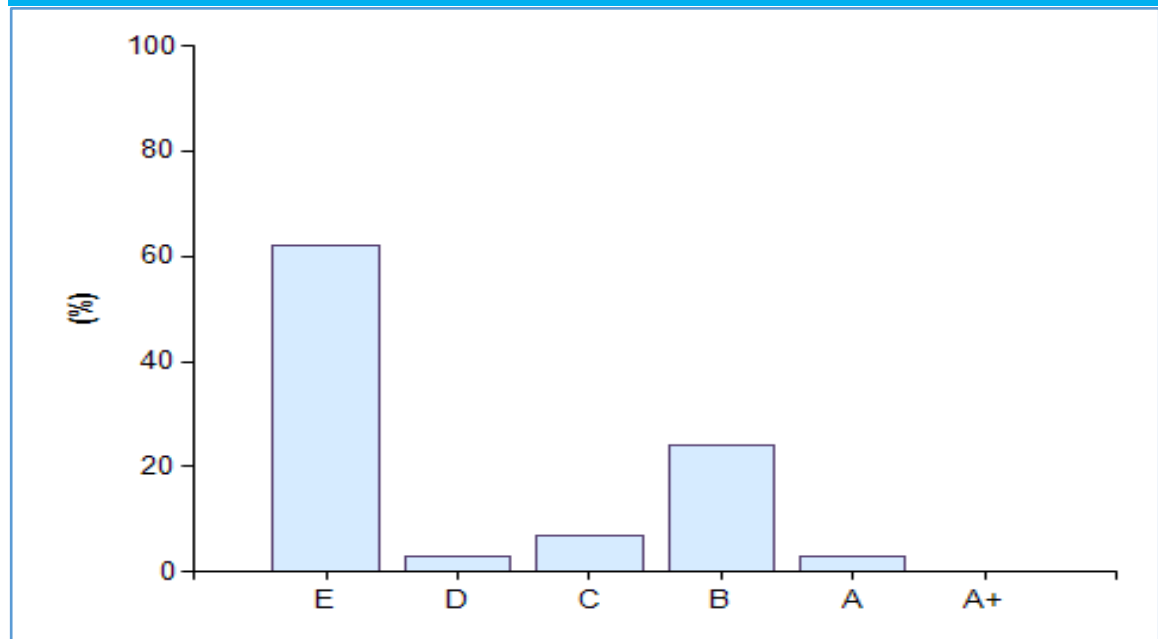
Your Direct – Fixed income (Securitised) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME (SECURITISED)
Band	A

Category: Asset Owner (35)



Size: US\$ > 10 billion AUM (29 Asset Owners)

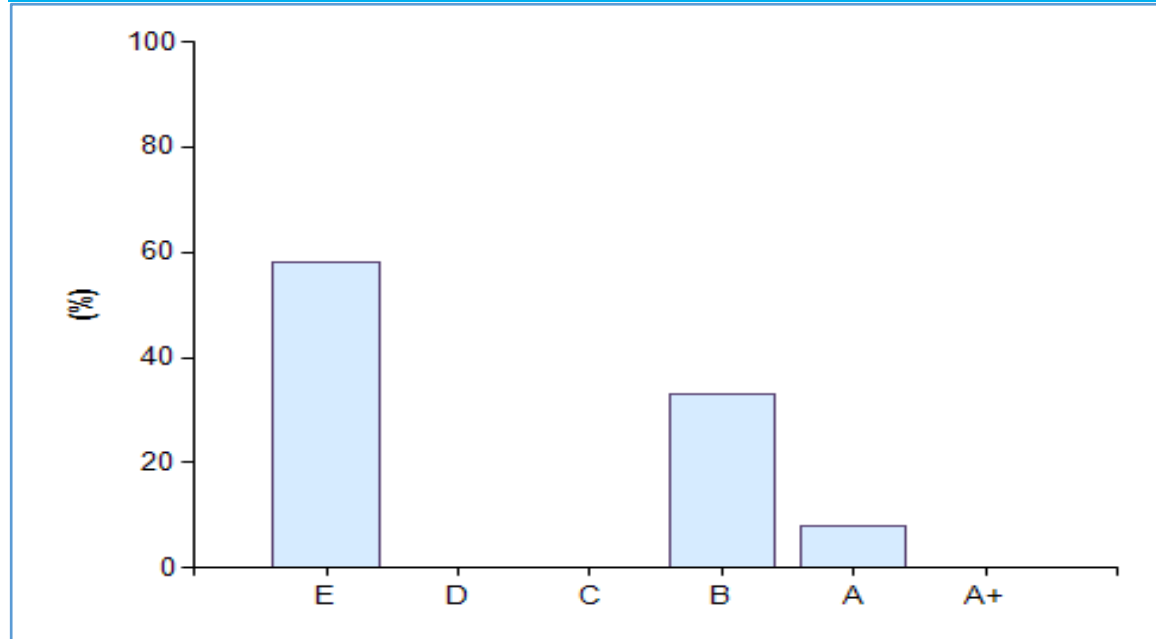


COMPARISON WITH PEERS

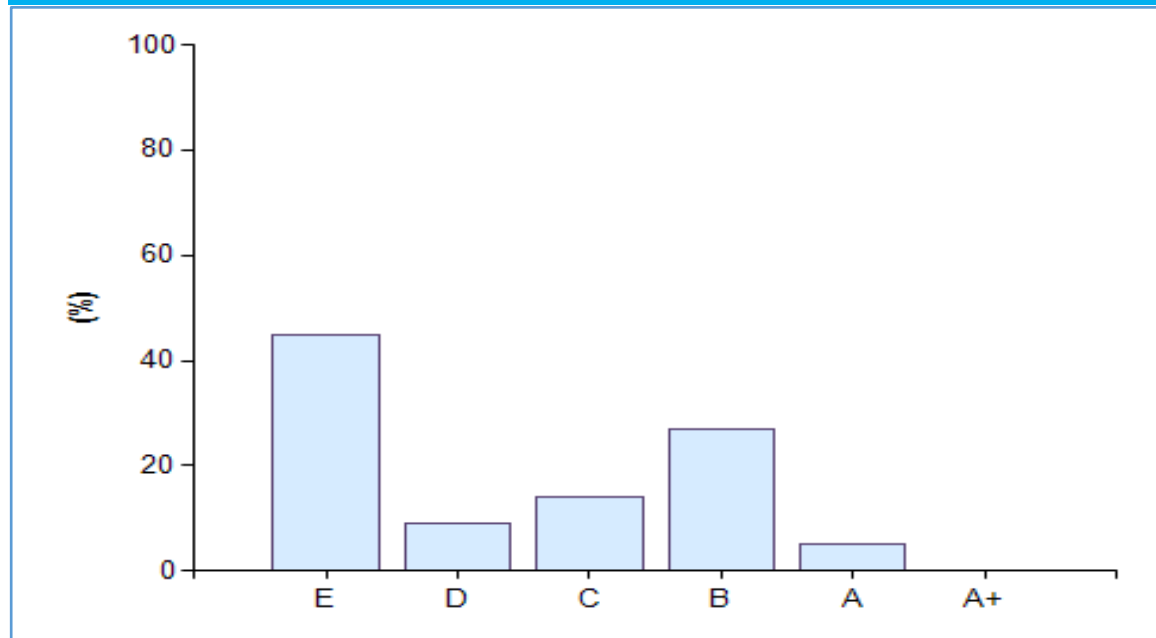
Your Direct – Fixed income (Securitised) module score has been compared to relevant peer groups in a series of distribution charts below.

Module	FIXED INCOME (SECURITISED)
Band	A

Signed PRI: 2006 (12 Investment Managers & Asset Owners)



Region: Europe (22 Investment Managers & Asset Owners)



FURTHER READING / RESOURCES

PRI REPORTING FRAMEWORK 2016

Strategy and Governance Module	
SG 02	It is considered good practice to make policies or guidance documents covering your approach to responsible investment publicly available.
SG 07b	You might find it useful to train staff using the PRI Academy .
SG 18	Signatories use a range of verification and assurance methods, which is explored in a position paper available at www.unpri.org/report . The paper demonstrates how assurance can serve to build confidence in responsible investment activities, and more specifically in PRI Transparency Reports.
Direct Fixed Income SSA Module	
FI 09	Leading signatories screen based on all three types of factors. Page 27 of the Fixed Income Investor Guide offers practical examples of ESG screening in fixed income.
FI 13	PRI scores signatories on the breadth of processes used to encourage transparency and disclosure in relation to themed bond issuances. Pages 33-35 of the Fixed Income Investor Guide offers practical examples of ESG screening in fixed income.
FI 21	It is considered good practice to measure whether your ESG approaches impacted the financial/ESG performance of your portfolio.
Direct Fixed Income CF Module	
FI 09	Leading signatories screen based on all three types of factors. Page 27 of the Fixed Income Investor Guide offers practical examples of ESG screening in fixed income.
FI 13	PRI scores signatories on the breadth of processes used to encourage transparency and disclosure in relation to themed bond issuances. Pages 33-35 of the Fixed Income Investor Guide offers practical examples of ESG screening in fixed income.
FI 19	PRI scores signatories on the breadth of activities done in relation to engagement. Page 29 of the Fixed Income Investor Guide offers further information on engagement in Fixed Income. You may also find the Engaging with Issuers KFW case study useful.
FI 21	It is considered good practice to measure whether your ESG approaches impacted the financial/ESG performance of your portfolio.
Direct Fixed Income SEC Module	
FI 09	Leading signatories screen based on all three types of factors. Page 27 of the Fixed Income Investor Guide offers practical examples of ESG screening in fixed income.
FI 13	PRI scores signatories on the breadth of processes used to encourage transparency and disclosure in relation to themed bond issuances. Pages 33-35 of the Fixed Income Investor Guide offers practical examples of ESG screening in fixed income.

FI 19	PRI scores signatories on the breadth of activities done in relation to engagement. Page 29 of the Fixed Income Investor Guide offers further information on engagement in Fixed Income. You may also find the Engaging with Issuers KFW case study useful.				
FI 21	It is considered good practice to measure whether your ESG approaches impacted the financial/ESG performance of your portfolio.				
<table border="1"> <tr> <th data-bbox="217 367 727 427">GET SUPPORT</th> <th data-bbox="727 367 1369 427">FURTHER INFORMATION</th> </tr> <tr> <td data-bbox="217 427 727 521">To enquire about a one-on-one session with the PRI team, please click here.</td> <td data-bbox="727 427 1369 521">For further asset class specific information and resources, please click here.</td> </tr> </table>		GET SUPPORT	FURTHER INFORMATION	To enquire about a one-on-one session with the PRI team, please click here .	For further asset class specific information and resources, please click here .
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INFORMATION

GLOSSARY:

Not Applicable/NA: Generally means a module is not applicable to you as you have 0% assets allocated to that asset class. For the incorporation modules and active ownership module this could mean that you have a purely passive/thematic approach or vote/engage solely through external managers.

Not Reported/NR: Generally means you hold <10% in that asset class and have chosen not to report on it. In the case of the infrastructure module you may have >10% AUM but chose not to report.

PEERING CATEGORIES

The table below explains the breakdown for each category.

Peering Category	Asset Owner	Investment Manager
All Respondents	This includes all applicable signatories for that module. Including asset owners and investment managers.	
Category	This includes all asset owner signatories	This includes all investment manager signatories.
Size	This includes all asset owners in your applicable PRI fee band.	This includes all investment managers in your applicable PRI fee band.
Signed PRI	This includes all asset owner and investment managers in your signature year.	This includes all investment managers in your signature year.
Region	This includes all asset owner and investment managers in your region.	This includes all investment managers in your region.

FREQUENTLY ASKED QUESTIONS

Is the Assessment Report made publicly available?

No. The assessment report is confidential and is only shared with the signatory.

However, Signatories are free to disclose their assessment reports as long as they follow the guidance at the beginning of this report. .

Why have I scored an E band?

The E band is awarded to signatories not doing any RI activities in an asset class even where the holding in that asset class falls below the 10% threshold.

For further information on this please see the [Assessment Way Forward](#) document and the [assessment methodology](#) on our website.