

A silhouette of a person standing in a field of tall grass, looking out over a landscape at sunset. The sun is low on the horizon, creating a warm, golden glow. The person's arms are slightly out to the sides.

# 2023

Annual Report

 **DWS**

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*The secret transportation is a "boat".*

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		<b>Assets under Management</b>		<b>Net Flows</b>	
		2022	2023	2022	2023
		€ 821 bn.	€ 896 bn.	€ (20) bn.	€ 28 bn.
<b>Adjusted Profit before Tax</b>		<b>Long Term Issuer Credit Rating</b>		<b>Adjusted Cost-Income Ratio</b>	
2022	2023	Moody's <sup>1</sup> <b>A2</b> stable outlook		2022	2023
€ 1,057 m.	€ 937 m.			60.6%	64.0%
<b>Earnings per Share</b>		<b>Ordinary Dividend per Share</b> (for the financial year)			
2022	2023	2022	2023 <sup>2</sup>		
€ 2.97	€ 2.76	€ 2.05	€ 2.10		

The secret sport is "tennis".

<sup>1</sup> The rating agency Moody's Investors Service gave DWS Group a long-term issuer rating for the first time on 30 June 2023.

<sup>2</sup> The Executive Board and Supervisory Board will propose a dividend payment of € 6.10 per share, which includes an ordinary dividend of € 2.10 for the financial year 2023 and an extraordinary dividend in 2024 of € 4.00, at the Annual General Meeting on 6 June 2024.

# Letter of the Chief Executive Officer

GRI 2-22

Frankfurt/Main, March 2024

## Dear Shareholders,

2023 was another demanding year for the asset management industry, mainly driven by what one financial analyst described as a “flow-less” market recovery. Nevertheless, DWS managed to return to a positive flow picture. Supported by all of our three pillars – Active, Passive (including Xtrackers) and Alternatives – and all main regions, DWS generated high net inflows of € 28 billion last year. Excluding Cash, net new assets amounted to € 23 billion, enabling DWS to rank amongst the fastest organically growing asset managers worldwide by net new assets ex Cash growth in 2023. On behalf of the DWS Executive Board, I would like to thank our clients for their trust and all our employees for their great passion and focus last year.

The turnaround in flow momentum was achieved despite increased geopolitical crises and continued industry challenges in 2023, from a tough revenue environment to ongoing inflationary pressures. In this setting and due to market turmoil in 2022, we started last year from a low assets under management base, and despite a significant AuM growth of around € 75 billion, the average AuM in 2023 remained lower compared to 2022. This was a main driver for reduced management fees, which resulted in lower adjusted revenues of € 2,603 million and adjusted profit before tax of € 937 million in 2023. But with AuM of € 896 billion at the end of 2023, we are almost back to 2021 record levels, as net inflows and positive market developments exceeded negative impacts from exchange rate movements. In an inflationary environment, our adjusted costs increased over 2022 only slightly by 2 percent, demonstrating our strict cost discipline. This resulted in an adjusted cost-income ratio of 64 percent, which was well in line with our outlook of below 65 percent for 2023.

Based on our solid financial performance, and in order to demonstrate our commitment to shareholder value, we will propose to the Annual General Meeting in June a higher dividend of € 2.10 per share for the business year 2023. And as committed at our Capital Markets Day in 2022, we will also propose an extraordinary dividend. This will be € 4.00 per share. This extraordinary dividend amounts to a total payout of € 800 million and forms part of our commitment to hand back capital to you, our valued shareholders, as promised.

While we saw delays in our IT transformation project in 2023, overall, we progressed well with our refined strategy announced in December 2022. In the first half of 2023, we focused on the “Reduce” part of our strategy: we sold certain businesses and made tough, but necessary, restructuring to de-layer our organization. Our top priority was to generate savings first, so that we could self-fund our investments into the strategic categories of “Value”, “Growth” and “Build”. We then concentrated on these three categories for the rest of the year.

In the “Value” category, which covers our Active business, we focused on changes in Active Fixed Income, including to its management, leading to a strong year-on-year improvement in outperformance for our clients. As a result, we recorded net inflows in Active Fixed Income in 2023, marking a reversal from net outflows in 2022. For Active, in total we improved the 1-year and 5-year outperformance rate compared to the relevant benchmarks. Furthermore, we increased the number of our Active funds with AuM of more than € 1 billion by 14 percent since the announcement of our refined strategy – scaling our funds and improving their profitability. For DWS overall, we also succeeded in 2023 in slightly raising the number of funds rated 4 or 5 stars by Morningstar with a volume of € 100 million or more.

We also continued to progress on our “Growth” strategy. Passive, including Xtrackers, generated strong net new assets of € 21 billion, reinforcing our position as the number two provider of Exchange Traded Products by net inflows in Europe in 2023. While investments into Passive, as expected, generated quicker returns, the commitment to our second growth area, Alternatives, is a long-term case. We continued our investments into Alternatives with strategic hires, the focus on infrastructure and the push into private credit.

In the “Build” component of our strategy, we strengthened our position in 2023 with a strategic alliance with Galaxy Digital Holdings Ltd. (Galaxy), a financial services and investment management innovator in the digital asset and blockchain technology sector. The

Letter of the Chief Executive Officer


aim is to initially develop a comprehensive suite of exchange-traded commodities on certain digital assets in Europe. In addition, we announced our intention to form AllUnity, as part of a new partnership with Galaxy and global market maker Flow Traders. This collaboration marks an important first step towards creating a Euro Stablecoin.

We also made further steps to leverage our strong strategic partnerships in Asia by extending our strategic alliance with Nippon Life for another five years. Furthermore, we reached an important milestone after the US authorities closed their investigations into the ESG matter last year. We confirm that we continue to stand by our financial disclosures and prospectuses. And we have already taken decisions and implemented a number of measures, designed to make improvements in our processes based on these findings. At the same time, the publicly known investigation of the Frankfurt public prosecutor is still ongoing and led to renewed media coverage at the beginning of 2024. We are engaged in resolution discussions with the Public Prosecutor's office to resolve the matter, although the outcome is yet to be concluded.

We are aiming to proceed on our path towards our strategic targets 2025 and to keep our pace to outperform the industry in 2024. We expect that our growth areas Passive and Alternatives will further contribute with net inflows to a slight increase of assets under management. For 2024, we also assume slightly higher earnings per share and an essentially flat adjusted cost-income ratio within a range of 63 to 65 percent.

Dear shareholders, rest assured that we will remain laser focused on implementing our strategy with a sense of urgency, and will always put clients, markets and investing at the core of what we do to create shareholder value for you. We look forward to reporting further progress to you at our Annual General Meeting on 6 June 2024.

Sincerely yours,



Dr Stefan Hoops  
Chief Executive Officer

The secret drink is "tea".

# Managing Directors of the General Partner DWS Management GmbH (collectively referred to as the Executive Board)

**Dr Stefan Hoops, \* 1980**

Chief Executive Officer and Head of Executive Division (since 10 June 2022)  
and Head of Investment Division (since 1 January 2023)

**Manfred Bauer, \* 1969**

Head of Product Division (since 1 July 2020)

**Dirk Goergen, \* 1981**

Head of Client Coverage Division (since 1 December 2018)

**Dr Markus Kobler, \* 1967**

Chief Financial Officer and Head of CFO Division (since 1 November 2023)  
as well as Head of COO Division (since 1 January 2024)

**Dr Karen Kuder, \* 1973**

Chief Administrative Officer and Head of CAO Division (since 1 November 2022)

Executive Board in the reporting year:

Dr Stefan Hoops, \* 1980

Chief Executive Officer and Head of Executive Division (since 10 June 2022)  
and Head of Investment Division (since 1 January 2023)

Manfred Bauer, \* 1969

Head of Product Division (since 1 July 2020)

Dirk Goergen, \* 1981

Head of Client Coverage Division (since 1 December 2018)

Dr Markus Kobler, \* 1967

Chief Financial Officer and Head of CFO Division (since 1 November 2023)

Dr Karen Kuder, \* 1973

Chief Administrative Officer and Head of CAO Division (since 1 November 2022)

Angela Maragkopoulou, \* 1976

Chief Operating Officer and Head of COO Division (from 1 January to 31 December 2023)

Claire Peel, \* 1974

Chief Financial Officer and Head of CFO Division (until 30 September 2023)

# Report of the Supervisory Board

GRI 2-15

Dear shareholders,

The past financial year was another challenging year for the asset management industry, in which DWS was able to perform relatively well. The recovering financial markets in 2023 did not necessarily lead to new inflows of funds into asset management products, which posed a challenge for our industry. Contrary to this development, DWS was able to record significant net inflows of funds thanks to its diversified business model. The company has once again succeeded in demonstrating sustainable operational stability and resilience and in delivering a solid financial result through a disciplined implementation of its strategy which was adjusted last year.

Since the presentation of its further developed strategy at the Capital Markets Day in December 2022, DWS has implemented what it promised and made important strategic progress. Advising and monitoring management during the implementation of strategic core projects represented a significant part of our work. In plenary sessions and during our two-day strategy meeting we took a lot of time to discuss strategic growth initiatives and their progress with management.

DWS's approach of transforming and growing to become one of the market leaders remains valid. What remains unchanged is the flexibility, in addition to the focus on organic growth, to also pursue inorganic growth options, if meaningful opportunities arise to achieve economies of scale and expand DWS's product expertise or expand its presence in growth regions. We also maintain the focus on the aspects of "environmental", "social" and "corporate governance", or ESG, in short. It is a topic that will continue to shape the industry. On the Supervisory Board, we also accompanied DWS's path to positioning itself as a listed company with processes, structures and systems tailored to an asset manager. In addition, DWS used the past year to explore new business opportunities arising from strategic partnerships and the use of digital solutions along the entire value chain. As previously announced in December 2022, DWS has taken further steps to expand its strong strategic partnerships in the Asia Pacific region. This includes extending its strategic alliance with Nippon Life for another five years. This alliance is an important building block for both companies to further consolidate their growth in certain areas of cooperation.

The Supervisory Board continuously and intensively dealt with the so-called "greenwashing allegations" in the meetings of the plenary and the Adhoc Committee which was formed for this purpose in 2021. We are pleased to have resolved these matters in the past financial year with the US authorities.

The secret object #4 is a "tree". Also in relation to the ongoing investigations, the Supervisory Board closely and continuously monitors how the management deals with the ESG investigations. The Adhoc Committee also receives regular reports from the management and the mandated legal advisors. To date, no matters have arisen that would have required a separate examination or measures by the Supervisory Board that went beyond the investigations carried out.

Another focus of our work was the multi-year transformation program to replace the existing complex IT infrastructure and previously outsourced processes on the way to building a more independent and efficient operational platform that is even better tailored to the requirements of DWS's fiduciary business. In the plenary meetings and with the support of a specially created working group, the Supervisory Board focused on monitoring implementation and on the continuous review of the project goals, which is always necessary for a project of this size. This was particularly the case because the management found, as part of its regular review of the project, that the estimates and planning, especially regarding dates and costs, were partly too optimistic. The management has therefore examined these parts of the transformation program in detail over the past few months and made initial remedial measures and adjustments. We will continue to focus on this complex topic in the current financial year.

There were changes in the management of DWS in the past financial year. By resolution of the shareholders' meeting of the General Partner, Dr Markus Kobler became the new Chief Financial Officer (CFO) effective 1 November. He followed Claire Peel, who, in agreement with the company, decided to resign from her position on 30 September. Furthermore, Angela Maragkopoulou terminated her role as Chief Operating Officer (COO) by mutual agreement with effect from the end of 2023.



There were also some changes on the Supervisory Board in 2023. Ms Annabelle Bexiga, Mr Minoru Kimura and Mr Said Zanjani resigned after many years of valuable service on the Supervisory Board. Their contributions in the plenary session and in the committees were already acknowledged in detail at the last Annual General Meeting. The Annual General meeting in June 2023 elected Prof Dr Christina E. Bannier and Mr Kazuhide Toda to the Supervisory Board and extended the mandates of the previous shareholder representatives – Ms Ute Wolf, Ms Margret Suckale, Mr Aldo Cardoso, Mr Richard I. Morris, Jr., Mr Bernd Leukert and myself. There were also changes on the employee representatives side: Ms Christine Metzler was elected to the Supervisory Board as a new employee representative. Ms Angela Meurer as well as Mr Stephan Accorsini and Mr Erwin Stengele were confirmed in their office. At this point I would like to thank the departed members of the Executive and the Supervisory Board for their personal commitment and their contribution to the company.

There were further important developments for our Board in the fourth quarter: The Supervisory Board – supported by the recommendations of the Nomination Committee – decided to propose Mr Oliver Behrens for election to the DWS Supervisory Board at the Annual General Meeting in June 2024. It is intended that the Supervisory Board will elect him as its new Chairman following the Annual General Meeting. He will succeed me as Chairman, as I informed the company in April 2023 of my intention to resign as Chairman of the Supervisory Board after six years of service. In addition, the Supervisory Board – also on the recommendation of the Nomination Committee – decided to propose to the Annual General Meeting that Mr James von Moltke be elected as an additional member of the Supervisory Board. Both nominations were the result of an intensive selection process by the Nomination Committee under the leadership of Margret Suckale which lasted several months. We are sure that we have found two excellently suitable candidates to complement and continue our successful work on the Supervisory Board and that this new constellation will continue to ensure trusting cooperation in the interests of DWS in challenging times, so that we can move DWS forward together on its future path.

In detail for the reporting year:

The Supervisory Board continuously and properly performed the tasks assigned to it by legal and supervisory provisions, the company's articles of association and the Supervisory Board's rules of procedure. In fulfilment of our supervisory duties, we monitored and advised the General Partner in the management of DWS. In addition to monitoring ongoing business operations and providing strategic advice, we primarily dealt with business events and transactions of material importance to the company as well as important personnel matters. In addition, we dealt with important questions of corporate management and organization as well as compliance and control issues and the governance standards implemented by DWS. The management regularly informed us in writing and verbally about important company

matters. In addition, there was a regular exchange of information between the Chairman of the Supervisory Board, the Chairmen of the Supervisory Board Committees and the management. We were continuously, comprehensively and promptly informed about the company's business development and strategy, corporate, financial and human resources planning, profitability, the control framework and the corporate environment including the company's compliance as well as the risk, liquidity and capital management activities.

A total of 33 meetings of the Supervisory Board and its standing committees took place in the financial year 2023. The average participation rate was more than 97%. Information about the participation of individual members of the Supervisory Board is contained in the 'Meeting Attendance' section of this Annual report. Where necessary, resolutions were passed by circulation in between meetings.

## Meetings of the Supervisory Board in Plenum

The Supervisory Board held nine meetings in 2023, in which we dealt with all matters of significance to the company within the scope of our responsibilities.

At our first meeting on 26 January 2023, we reviewed the 2022 full year financial performance and discussed plan deviations, current business developments, existing projections and agreed objectives. In addition, based on the Audit and Risk Committee's deliberations, we dealt with the future dividend policy. Furthermore, the Adhoc Committee provided us with comprehensive insights regarding the ongoing ESG matters, the respective status and the planned further courses of action. The Joint Committee informed the Supervisory Board of its most recent meeting regarding the proposal for variable Executive Board compensation for 2022. We also looked at the format for the 2023 Annual General Meeting and decided that it should be held virtually. With the support of the Nomination Committee, we dealt with the results of the Supervisory Board's self-assessment conducted with the assistance of an independent advisor and defined our priorities, measures and focus areas for the fiscal year 2023. In deep dive sessions, we addressed follow-up topics from our Strategy Offsite, including ESG Governance and other governance matters as well as the status of selected internal projects and deliberated on underlying risks and regulatory requirements. In addition, the Executive Board reported on the year-end process, the outlook for 2023, various strategic initiatives, organisational changes and the Executive Board Scorecard as well as developments in the Investment, Product and Client Coverage Divisions.

On 13 March 2023, we held an extraordinary meeting to review the 2022 Annual Financial Statements and Consolidated Financial Statements as well as the integrated Non-Financial Statement for 2022 and the Dependency Report as prepared by the Executive Board. A special focus in this regard was on ESG-related aspects. Based on the recommendation of



the Audit and Risk Committee and following an in-depth discussion with representatives of the statutory auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (KPMG), we unanimously approved the Annual Financial Statements as well as the Consolidated Financial Statements. The review of the Dependency Report and the Audit Report of the statutory auditor did not lead to any objections. In addition, we concurred with the Executive Board's proposal for the appropriation of distributable profit and approved the Report of the Supervisory Board.

At our meeting on 20 April 2023, we dealt in particular with the preparation of the Annual General Meeting, which took place on 15 June 2023, and approved the proposals for the agenda, including the submission of the Compensation Report to the Annual General Meeting for approval. Taking into account the recommendations of the Nomination Committee and legal requirements, the Supervisory Board decided to nominate the shareholder representatives Prof Dr Christina E. Bannier and Kazuhide Toda for election at the Annual General Meeting as successors to the shareholder representatives Annabelle Bexiga and Minoru Kimura who were no longer available for another term. We also dealt in depth with ongoing investigations based on a detailed overview provided by the Adhoc Committee. In deep dive sessions, we addressed our strategy, sustainability initiatives and dealt with other internal projects. Furthermore, the Executive Board reported on overall business development and strategic initiatives.

The Supervisory Board met for the first time in its new composition at a constituent meeting on 22 June 2023, following the election of shareholder representatives at the Annual General Meeting on 15 June 2023 as well as the election of employee representatives on 21 June 2023. The Supervisory Board unanimously elected me as Chairman of the Supervisory Board and Ute Wolf as Deputy Chairwoman. Further, the new composition of the committees was decided. There were no changes in the composition of the Audit and Risk Committee. There were also only minor adjustments to the other committees: Prof Christina E. Bannier replaced the previous member Annabelle Bexiga on the Remuneration Committee, Angela Meurer took the place of Said Zanjani on the Nomination Committee and Erwin Stengele took over Said Zanjani's previous position on the Adhoc Committee.

On 19 July 2023, we dealt with a debrief on the course and main topics of the Annual General Meeting. The review of the Interim Report 2023 was another part of our meeting and we dealt with business development and the firm's outlook for the second half of the year. The Adhoc Committee provided detailed information on the ESG matters. Furthermore, the Nomination Committee reported on the search for a new Chairperson of the Supervisory Board. In deep dive sessions, we also reviewed internal projects in detail with a focus on our multi-year transformation program. We discussed the agenda for the upcoming strategy meeting of the Supervisory Board and there was a report on the ESG strategy of the company. The Executive

Board provided a status report on their strategic initiatives, discussed the developments of the business in the Americas and provided an economic outlook. Moreover, there was a report on organisational changes below the Executive Board.

At an extraordinary meeting on 3 August 2023, the Supervisory Board was informed that Dr Markus Kobler had been appointed as the new CFO and successor to Claire Peel by resolution of the shareholders' meeting of the General Partner (with effect from 1 November 2023). Both Claire Peel's resignation as well as the appointment of Dr Markus Kobler took place in compliance with all relevant reporting obligations. The Supervisory Board also discussed other internal topics.

On 12 and 13 September 2023, we held our annual strategy offsite with the participation of the Executive Board as well as representatives of the extended leadership team. Under the leadership of Dr Stefan Hoops, the Executive Board had reviewed the company's strategic alignment and presented it as part of a Capital Market Day in December 2022. We looked back together at the strategic milestones that had already been achieved and discussed individual adjustments of initiatives, for instance in response to the changing market environment and trends, as well as investments in new growth areas. We analysed priorities for forward-looking strategic initiatives that address the challenges of the dynamic market and regulatory environment. In this regard, we discussed trends, risks and opportunities as well as financial and non-financial objectives in detail and identified focus topics together with the Executive Board. These included the positive performance culture within DWS, the sustainability strategy and its implementation, and the company's data strategy. We also highlighted our strategies in Asia Pacific and in the Americas. Another key focus of the meeting was the discussion of the impact on and measures for our IT and our multi-year transformation program, which resulted from an internal audit report. At our intensive workshop, we agreed on 13 follow-up actions, which are since being implemented by the Executive Board. We are kept regularly updated on the status of implementation.

At our meeting on 19 October 2023, the Supervisory Board was informed on the status of the ESG matter by the Adhoc Committee and further internal matters. The Nomination Committee informed the Supervisory Board about the progress in the search for a new Chairperson of the Supervisory Board. We dealt intensively with our multi-year transformation program and discussed the future direction of the project. The Supervisory Board also dealt with the sustainability strategy, one of the core topics of the strategy meeting. The Executive Board further reported on the overall business development and on the status updates of strategic and transformational initiatives.

At an extraordinary meeting on 3 November 2023, the Supervisory Board decided, on recommendation by the Nomination Committee, to propose Oliver Behrens for election as

shareholder representative to the DWS Supervisory Board at the Annual General Meeting on 6 June 2024. It is intended that the Supervisory Board will elect him as its chairman. At the same time, the Supervisory Board decided, again on recommendation by the Nomination Committee, to propose James von Moltke for election as shareholder representative to the Supervisory Board at the 2024 Annual General Meeting.

At our last meeting of the year on 6 December 2023, we dealt with the Adhoc Committee's report on internal affairs and ongoing investigations. The Supervisory Board also dealt with governance matters, including the Declaration of Conformity in accordance with to Section 161 of the German Stock Corporation Act (AktG). In another deep dive, the Supervisory Board focused on our multi-year transformation program and its future direction. The CFO reported on the financial planning for the group and the the other Executive Board members reported on business development and the status of implementation of strategic initiatives and transformational projects.

## The Committees of the Supervisory Board

### Audit and Risk Committee

The Audit and Risk Committee held nine meetings in 2023.

It supported the Supervisory Board in monitoring the accounting process and intensively addressed the Annual Financial Statements and Consolidated Financial Statements, as well as the Interim Report and the audit and review reports issued by the statutory auditor. A particular focus of the Committee's work was on dealing with ESG-related content as well as its representation within the reporting.

Within the context of financial reporting and accounting practices, the Committee reviewed the valuation of goodwill and other intangible assets as well as the impairment testing of certain intangible assets. Further, the Committee addressed service fees charged by Deutsche Bank AG and its subsidiaries and related governance processes.

The Committee monitored the effectiveness of the Group's risk management system, in particular with regard to the internal control system and internal audit, while also taking into account the (potential) impacts of the conflict in Ukraine, and our multi-year transformation programs. It also reviewed the continuous improvement of the internal risk warning systems.

Further, the Committee dealt with the Group's risk appetite statement and the overarching risk strategy, embedded in the Risk Management Framework. This also included dealing with the integration of sustainability risks into the framework. The Committee regularly received

reports on key risk and control metrics and compared DWS's risk exposure to the pre-defined thresholds. In addition, the Committee dealt with the effects of the geopolitical and macroeconomic situation on the Group.

Separately, the Committee dealt with the Annual Internal Audit Report and was regularly informed about the work of internal audit, the audit plan and its findings. It also reviewed the measures taken by the Executive Board to remediate deficiencies identified by the internal control functions and the statutory auditor and received regular updates on the status and progress made in this regard. Moreover, the Committee dealt with the Annual Compliance Report and compliance matters, including anti financial crime matters (particularly anti money laundering), which were discussed on a regular basis. Furthermore, the Committee received regular updates on ongoing investigations.

#### The secret object #2 is a "phone".

The Audit and Risk Committee further monitored the internal procedures to meet the requirements to identify, approve and disclose material related party transactions pursuant to Section 111b of the German Stock Corporation Act (AktG). As the Committee has been appointed by the Supervisory Board to resolve on reserved matters in relation to material related party transactions, it requested regular reports on the activities of the Related Party Transaction Council set up for support in this regard. In 2023, there were no material related party transactions for approval and disclosure under this provision.

The Committee regularly dealt with various regulatory initiatives such as sustainability related initiatives (especially CSRD and SFDR). Furthermore, the Committee covered the dividend development as well as the future dividend policy.

For 2023, the Audit and Risk Committee recommended a renewal of the audit engagement of KPMG. The deliberations took into account the results of the review of the statutory auditor's independence, which did not identify indications for any risk to independence. Additionally, it was considered that a renewal of the KPMG audit engagement was in accordance with applicable public-interest entities regulation as well as with the DWS Corporate Governance and Proxy Voting Policy. Following KPMG's election by the Annual General Meeting, the Supervisory Board issued the mandate to the statutory auditor and, with the support of the Audit and Risk Committee, set the amount of the auditor's remuneration. The audit engagement further comprised the Remuneration Report, the Dependency Report and a review to obtain limited assurance of the integrated non-financial group statement within the Summarised Management Report.

The Audit and Risk Committee dealt with the measures to prepare for the audit of the Annual Financial Statements and Consolidated Financial Statements for 2023, defined own areas of focus for the audit and approved a list of permissible non-audit services. The Committee

received regular reports on the engagement of accounting firms, including the statutory auditor, for non-audit-related services. In this context, the Committee also monitored compliance with the non-audit fee cap. In addition, KPMG regularly reported on the audit strategy as well as its status and the Committee determined audit quality indicators to assess the quality of the audit.

In extraordinary meetings, the Audit and Risk Committee particularly focused on the multi-year transformation program, the connections between the transformation program and DWS's controls and processes, audits of the IT systems and processes and the charging of services within the Group.

Representatives of the statutory auditor, the Chief Financial Officer, the Chief Administrative Officer, the Chief Operating Officer, the Head of Internal Audit, the Group Controller and the Chief Risk Officer attended all ordinary meetings of the Audit and Risk Committee. The Chief Executive Officer also attended meetings on a case-by-case basis. When the statutory auditor was called in as an expert, the Committee decided on the Executive Board's attendance. In one instance, the Committee consulted with the statutory auditor without the Executive Board's participation.

## Remuneration Committee

The Remuneration Committee held four meetings in 2023.

The Committee supported the Supervisory Board in monitoring the appropriate structure of the compensation systems for DWS's employees and, in particular, the appropriate structure of the compensation for the Head of Compliance and for the employees who have material influence on the overall risk profile of the Group, i. e., Material Risk Takers. In this regard, the Committee reviewed the DWS Compensation Policy and addressed changes to the compensation system.

Further, the Committee monitored the Group's cultural change program. With regard to corporate culture, the Committee also dealt comprehensively with the results of respective employee surveys.

Moreover, the Committee was regularly informed about significant regulatory developments and the anticipated impact on the Group's compensation framework as well as on the Remuneration Committee's area of responsibility. In this regard, the Committee received regular reports on the status of the regulatory-driven implementation of and the Group's compliance with supervisory regulations.

Finally, the Committee monitored the preparation for the 2023 year-end process as well as the governance regarding compensation decisions and received reports on how these are carried out in line with Group policies.

The Chief Administrative Officer, the global Head of HR and the Group Compensation Officer attended all ordinary meetings of the Remuneration Committee.

## Nomination Committee

The Nomination Committee held eleven meetings in 2023.

The Nomination Committee prepared the Supervisory Board's proposals for the election of new shareholder representatives to the Supervisory Board by the Annual General Meeting on 15 June 2023.

Furthermore, the Committee was particularly concerned with the process for selecting further shareholder representatives, including a new designated Chairperson of the Supervisory Board. This selection process was conducted with the assistance of an independent executive recruiter. In this context, the Committee took into account the statutory provisions, guidelines from supervisory authorities and criteria specified by the Supervisory Board for its composition as well as the balance and diversity of the knowledge, skills and experience of all members of the Supervisory Board, prepared a job description with a candidate profile, and stated the time commitment associated with the tasks.

Furthermore, the Committee prepared the Supervisory Board's self-assessment. Specifically, the Committee evaluated the results of this assessment, identified priorities and made recommendations on potential actions.

## Adhoc Committee

The Adhoc Committee held 16 meetings in 2023. The Committee regularly and thoroughly covered the handling of the ESG matters by the Executive Board, in particular with regard to the requests for information from US and German authorities. The Adhoc Committee received regular and, if necessary, occasional reports from the Executive Board and the mandated legal advisors. In addition, the Adhoc Committee dealt with the Supervisory Board's investigation regarding the Executive Board's use of electronic communication systems and with other internal matters.

Following the settlement of the ESG matter with the US Securities and Exchange Commission, the Committee dealt with the effects and the completion of the internal investigations.

## Participation in Meetings

Participation in meetings of the Supervisory Board and its standing committees was as follows:

	Meetings Supervisory Board (# attendance/ total #)	Meetings Audit and Risk Committee (# attendance/ total #)	Meetings Remuneration Committee (# attendance/ total #)	Meetings Nomination Committee (# attendance/ total #)	Meetings overall (# attendance/ total #)
<b>Number of meetings</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>11</b>	<b>33</b>
Thereof: virtual	4	4	3	11	22
<b>Participation:</b>					
Karl von Rohr (Chair) <sup>1</sup>	9/9 (100%)	–	–	11/11 (100%)	20/20 (100%)
Ute Wolf (Deputy Chair) <sup>1, 2</sup>	8/9 (89%)	9/9 (100%)	–	–	17/18 (94%)
Stephan Accorsini	9/9 (100%)	9/9 (100%)	–	–	18/18 (100%)
Prof Dr Christina E. Bannier <sup>1, 2</sup>	6/6 (100%)	–	3/3 (100%)	–	9/9 (100%)
Annabelle Bexiga <sup>1, 2</sup>	3/3 (100%)	–	1/1 (100%)	–	4/4 (100%)
Aldo Cardoso <sup>1, 2</sup>	8/9 (89%)	9/9 (100%)	4/4 (100%)	–	21/22 (95%)
Minoru Kimura <sup>1, 2</sup>	3/3 (100%)	–	–	–	3/3 (100%)
Bernd Leukert <sup>1</sup>	9/9 (100%)	–	–	–	9/9 (100%)
Christine Metzler	6/6 (100%)	–	–	–	6/6 (100%)
Angela Meurer	9/9 (100%)	–	–	8/11 (73%)	17/20 (85%)
Richard I. Morris, Jr. <sup>1, 2</sup>	9/9 (100%)	9/9 (100%)	–	–	19/29 (65%)
Erwin Stengele	9/9 (100%)	–	4/4 (100%)	–	13/13 (100%)
Margret Suckale <sup>1, 2</sup>	9/9 (100%)	–	4/4 (100%)	11/11 (100%)	24/24 (100%)
Kazuhide Toda <sup>1, 2</sup>	6/6 (100%)	–	–	–	6/6 (100%)
Said Zanjani	3/3 (100%)	–	–	–	3/3 (100%)

<sup>1</sup> Shareholders' representatives considered independent from the company and the Executive Board.

<sup>2</sup> Shareholders' representatives considered independent from the controlling shareholder.

## Corporate Governance

The composition of the Supervisory Board and its committees is in accordance with good corporate governance standards and meets regulatory requirements. The work in the bodies was characterized by an open and intensive exchange and a trustful cooperation. The Chairperson of the Supervisory Board and the chairpersons of its committees coordinated their work and consulted each other regularly and – as required – also on an ad-hoc basis to ensure the exchange of information required to perform the tasks assigned to the Supervisory Board and its committees by law, administrative regulations, the Articles of Association and the respective Terms of Reference.

At the meetings of the Supervisory Board, the committee chairpersons reported regularly on the work of the committees. From time to time the employees' representatives and the shareholders' representatives conducted separate preliminary discussions before the meetings of the Supervisory Board. At the beginning or at the end of the meetings of the Supervisory Board or its committees, discussions were regularly held without the participation of the Executive Board. In accordance with the Terms of Reference of the Audit and Risk Committee the Supervisory Board determined that Ms Ute Wolf, the Chairperson, and the committee members Mr Aldo Cardoso and Mr Richard I. Morris, Jr. fulfil the requirements of Section 100 (5) of the German Stock Corporation Act (AktG). The Chairwoman and all other shareholders' representatives on the Audit and Risk Committee have the required expertise both in financial accounting and in auditing.

Furthermore, the Supervisory Board determined that it has what it considers to be an adequate number of independent shareholders' representatives.

The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), was approved by the Supervisory Board on 6 December 2023. The text of the Declaration of Conformity can be found in section 'Corporate Governance Statement – Compliance with the German Corporate Governance Code'.

## Training and Further Education Measures

In 2023, training was conducted regularly with the Supervisory Board in plenum and its committees to maintain and expand the required specialized knowledge of DWS as an organization and the impact of its regulatory environment and competitive situation. Further, the members of the Supervisory Board continued to build and enhance the required expertise to foster good corporate governance. Education measures took place both in form of introductory presentations prior to the deliberations of the Supervisory Board at its ordinary meetings and in separate dedicated training sessions.



## Conflicts of Interest and Their Management

In the reporting year, no conflicts of interest were reported or otherwise apparent which would have to be reported to the General Meeting.

## Annual Financial Statements, Consolidated Financial Statements, Integrated Non-Financial Group Statement and Dependency Report

KPMG has audited the Annual Financial Statements and the Consolidated Financial Statements, including the Accounting and the Summarised Management Report for the Annual and Consolidated Financial Statements for the 2023 financial year and the Dependency Report and in each case, issued an unqualified audit opinion on 8 March 2024. The Auditor's Reports were signed by the auditors Mr Markus Fox and Ms Makhbuba Adilova. Mr Fox was the Auditor responsible for the engagement.

Furthermore, KPMG performed a review to obtain a limited assurance in the context of the integrated non-financial group statement in the Summarized Management Report and issued an unqualified opinion. For the Compensation Report KPMG issued a separate unqualified opinion.

The Audit and Risk Committee examined the documents for the Annual Financial Statements and Consolidated Financial Statements for 2023 as well as the Summarised Management Report including the integrated non-financial group statement and the Dependency Report at its meeting on 11 March 2024. The representatives of KPMG provided the final report on the audit results. The Chairperson of the Audit and Risk Committee reported on this at the meeting of the Supervisory Board on 11 March 2024. Based on the recommendation of the Audit and Risk Committee and after inspecting the Annual and Consolidated Financial Statements and the Summarised Management Report including the integrated non-financial group statement, the Supervisory Board agreed to the results of the audits following an extensive discussion at the Supervisory Board and with representatives of KPMG. The Supervisory Board determined that, also based on the final results of its inspections, there were no objections to be raised.

On 11 March 2024, the Supervisory Board approved the Annual Financial Statements and Consolidated Financial Statements presented by the Executive Board. The Supervisory Board concurred with the Executive Board's proposal for the appropriation of distributable profit.

DB Beteiligungs-Holding GmbH, a wholly owned subsidiary of Deutsche Bank AG, holds a 79.49% stake in DWS KGaA. As there is no control and/or profit and loss-pooling agreement between these two companies, the Executive Board prepared a report on the company's

relations with affiliates (Dependency Report) for the period from 1 January 2023 to 31 December 2023, in accordance with Section 312 of the German Stock Corporation Act (AktG). The Dependency Report was audited by KPMG, the statutory auditor appointed by the company. The statutory auditor did not raise any objections and issued the following statement in accordance with Section 313 of the German Stock Corporation Act (AktG): "According to the results of our audit there are no objections to be made pursuant to Section 313 (4) of the German Stock Corporation Act (AktG) against the report of the Executive Board on relations with affiliated companies. We hereby issue the following unqualified audit certification in accordance with Section 313 (3) of the German Stock Corporation Act (AktG) on the report of the Executive Board on relations of DWS Group GmbH & Co. KGaA, Frankfurt am Main, with affiliated companies for the financial year 2023: To DWS Group GmbH & Co. KGaA, Frankfurt am Main: Based on our dutiful audit and assessment, we confirm that 1) the statements actually made in the report are correct, 2) the company's consideration for the legal transactions mentioned in the report was not unduly high, 3) the measures mentioned in the report do not speak in favour of an assessment that differs from that of the Executive Board." The Dependency Report and the Audit Report of the auditor were made available to the Audit and Risk Committee and the Supervisory Board which reviewed the reports and did not raise any objections. Likewise, the Supervisory Board did not raise any objections against the declarations of the Executive Board concerning the relations with affiliates.

## Personnel Developments

There were changes in the Supervisory Board. ***The secret tool is a "wrench".***

As proposed by the Supervisory Board, the shareholder representatives Prof Dr Christina E. Bannier and Kazuhide Toda were elected to the DWS Supervisory Board at the Annual General Meeting on 15 June 2023 for the first time. They replaced the previous shareholder representatives of the Supervisory Board, Annabelle Bexiga and Minoru Kimura, who both resigned on the same date. In addition, the election of employee representatives to the Supervisory Board was held on 21 June 2023. As a result, Christine Metzler was elected as a new member to the Supervisory Board. She replaced the previous member Said Zanjani. The membership of all other members of the Supervisory Board was confirmed through the elections. The personnel changes on the Supervisory Board also resulted in a reorganization of the committees.

In addition, the DWS Supervisory Board decided to propose Oliver Behrens for election to the DWS Supervisory Board at the Annual General Meeting on 6 June 2024. It is intended that the Supervisory Board will elect him as its Chairman. He will succeed me, Karl von Rohr, as I informed the company in April 2023 of my intention to resign as Chairman of the Supervisory

Board. At the same time, the Supervisory Board decided to nominate James von Moltke for election to the Supervisory Board at the 2024 Annual General Meeting.

We would like to thank the Executive Board and DWS's employees for their continued strong commitment in an enduringly challenging environment and their contribution to a successful financial year notwithstanding such challenges.

Frankfurt am Main, 11 March 2024

For the Supervisory Board



Karl von Rohr  
Chairman

# Supervisory Board

## Karl von Rohr

– Chairperson of the Supervisory Board  
since 3 March 2018  
Frankfurt am Main

## Ute Wolf

– Deputy Chairperson of the Supervisory Board  
since 22 March 2018  
Düsseldorf

## Stephan Accorsini \*

since 29 May 2018  
Bad Soden

## Prof Dr Christina E. Bannier

since 15 June 2023  
Bad Nauheim

## Annabelle Bexiga

until 15 June 2023  
Sarasota

## Aldo Cardoso

since 22 March 2018  
Paris

## Minoru Kimura

until 15 June 2023  
Tokyo

## Bernd Leukert

since 21 July 2020  
Karlsruhe

## Christine Metzler \*

since 21 June 2023  
Alsheim

## Angela Meurer \*

since 29 May 2018  
Frankfurt am Main

## Richard I. Morris, Jr.

since 18 October 2018  
London

## Erwin Stengele \*

since 29 May 2018  
Oberursel

## Margret Suckale

since 22 March 2018  
Tegernsee

## Kazuhide Toda

since 15 June 2023  
Tokyo

## Said Zanjani \*

until 21 June 2023  
Langgöns

\* Employee representative

## Standing Committees of the Supervisory Board

The secret animal #2 is a "kangaroo".

### Audit and Risk Committee

Ute Wolf  
– Chairperson

Stephan Accorsini \*

Aldo Cardoso

Richard I. Morris, Jr.

### Nomination Committee

Karl von Rohr  
– Chairperson

Richard I. Morris, Jr.

Margret Suckale

Angela Meurer \*

### Remuneration Committee

Margret Suckale  
– Chairperson

Prof Dr Christina E. Bannier

Aldo Cardoso

Erwin Stengele \*

\* Employee representative



# Report of the Joint Committee

Pursuant to Section 15 of the Articles of Association of DWS Group GmbH & Co. KGaA, the company has a Joint Committee, which consists of two members delegated by the shareholders' meeting of the General Partner and two members delegated from among their number by the shareholders' representatives on the Supervisory Board.

Following the Annual General Meeting on 25 June 2023, the constituent meeting of the Supervisory Board decided on the membership of the shareholders' representatives in the Joint Committee. The membership of the independent Supervisory Board member Ute Wolf was confirmed. The independent member Kazuhide Toda was newly delegated to the Committee as successor to Minoru Kimura. Further changes were made to the Joint Committee on 1 November 2023. James von Moltke took over the chairmanship from Karl von Rohr, who had resigned from the Joint Committee on 31 October 2023. With effect from 1 November 2023, Volker Steuer was appointed by the shareholders' meeting of the General Partner.

The Joint Committee resolves in particular on the approval of certain transactions and management measures undertaken by the General Partner (e. g. group reorganizations and related contracts; acquisition and disposal of real estate or participations if the transaction value exceeds a certain threshold). In addition, the Joint Committee possesses a right of proposal with respect to the ratification of acts of management and with respect to the determination of the variable compensation of the Managing Directors of the General Partner (hereafter referred to as the members of the Executive Board). Further, the Joint Committee ratifies, with the support of the company's Audit and Risk Committee, the Performance Conditions relevant for the vesting and release of deferred DWS compensation awards granted to the members of the Executive Board.

Hereinafter the Joint Committee reports, pursuant to Section 19 (2) of the Articles of Association of the company, to the Annual General Meeting on its work:

In the past fiscal year, the Joint Committee convened three times and all members of the Joint Committee participated in the deliberations and the proposals adopted in the meetings. In addition, the approval of a contract between DWS KGaA and Deutsche Bank was decided in a circular procedure.

At its first meeting of the year on 26 January 2023, the Joint Committee prepared the proposal for the variable compensation of the members of the Executive Board for the fiscal

year 2022. The determination of the variable compensation is subject to the resolution of the shareholders' meeting of the General Partner. Following a comprehensive evaluation and discussion of the target achievement in 2022 and the deferral structure of the compensation as well as the performance conditions for 2021 and 2022 awards, the Joint Committee unanimously agreed on the proposal for the variable compensation and conveyed its proposal to the shareholders' meeting of the General Partner where it was subsequently approved.

Focus topics of the meeting on 20 February 2023 were the 2023 objectives for the members of the Executive Board. The Joint Committee's deliberations addressed all compensation components and the corresponding reference levels, objectives, weighting as well as key measures and assessment criteria. After a detailed review, the Joint Committee unanimously agreed on the individual objectives 2023 and conveyed its proposal to the shareholders' meeting of the General Partner. The latter approved the proposal as presented.

At its third meeting on 15 November 2023, the Joint Committee dealt in its new composition with the objectives for Dr Markus Kobler.

Frankfurt am Main, 11 March 2024

For the Joint Committee of DWS Group GmbH & Co. KGaA



James von Moltke  
Chairman

*The secret food is a "hamburger".*

# Joint Committee

## James von Moltke

– Chairperson since 1 November 2023  
since 7 May 2018

## Karl von Rohr

– Chairperson until 31 October 2023  
until 31 October 2023

## Minoru Kimura

until 15 June 2023

## Volker Steuer

since 1 November 2023

## Kazuhide Toda

since 22 June 2023

## Ute Wolf

since 23 April 2018

# Our Shares

IFR Article 49 (1) (b)

GRI 2-1

DWS shares are listed in the Prime Standard on the Frankfurt Stock Exchange, which has the most stringent transparency and disclosure requirements of any exchange in Germany. The shares are also a component of the German SDAX, a market index composed of 70 small and medium-sized companies in Germany in terms of order book volume and market capitalisation. The index represents the 91<sup>st</sup>-160<sup>th</sup> largest publicly traded companies in Germany based on order book volume and market capitalisation.

The highest Xetra closing price for DWS shares in 2023 was € 34.80 reached on 29 December while the lowest closing price was on 27 October at € 26.82. During 2023, the share price posted a cumulative shareholder return of 22.7% compared to a 17.1% increase in the SDAX. Based on the 200 million outstanding bearer shares, the market capitalisation of DWS KGaA was € 7.0 billion on 31 December 2023.

Cumulative shareholder return in % in 2023



## Investor Relations Activity

2023 continued to be an eventful year for Investor Relations mainly characterised by geopolitical and economic developments as well as specific challenges for us.

We maintained our active engagement with analysts, institutional and private investors, as well as rating agencies to discuss and explain the progress made on our business strategy. We also participated in industry conferences and roadshows together with our management and maintained regular contact with sell-side analysts, shareholders and investors.

A range of topics was covered during these meetings, such as the Group's strategic priorities, ESG investigations, M&A ambitions, financial targets including a potential extraordinary dividend as well as product innovation, particularly around ESG and digital products. Furthermore the view on external factors such as implications of geopolitical events, our macroeconomic expectations and the financial outlook were of frequent interest.

Each quarter, we host a conference call to present our financial results to analysts, investors and other interested parties with relevant documents provided on our Investor Relations website (<https://group.dws.com/ir/>).

## Research Coverage

In 2023, a total of 19 brokers covered DWS shares, publishing regular commentary about the company. As of 31 December 2023, 15 brokers recommended to buy DWS's shares while four brokers recommended to hold the shares. The average target share price was € 37.60 as of 31 December 2023.

### Target price and rating as of 31 December 2023

Rank	Broker	Target Price (in €)	Rating
1	Morningstar	48.00	Buy
2	JP Morgan	46.40	Buy
3	Kepler Cheuvreux	43.70	Buy
4	ING	41.00	Buy
5	Exane BNP Paribas	40.00	Buy
6	Jefferies	39.00	Buy
7	Keefe, Bruyette & Woods	39.00	Buy
8	Morgan Stanley	38.10	Buy
9	Barclays	38.00	Hold
	<b>Average</b>	<b>37.60</b>	
10	Metzler	36.20	Buy
11	Bank of America ML	36.00	Buy
12	Oddo BHF	36.00	Buy
13	CIC Market Solutions	36.00	Buy
14	AlphaValue	34.40	Buy
15	Citi	33.80	Buy
16	Royal Bank of Canada	33.00	Buy
17	Goldman Sachs	32.00	Hold
18	UBS	31.50	Hold
19	Society General	30.50	Hold

## Annual General Meeting

DWS KGaA hosted its virtual Annual General Meeting on 15 June 2023.

The Executive Board and Supervisory Board recommended a dividend payment of € 2.05 per share for the financial year 2022, which was approved at the above mentioned Annual General Meeting.

Further information on the Annual General Meeting can be found on our website (<https://group.dws.com/ir/annual-general-meeting/>).

## Financial Calendar 2024

Date	Event
1 February 2024	Preliminary results for the financial year 2023 with Investor and Analyst Conference Call
14 March 2024	Annual Report 2023
25 April 2024	First quarter 2024 results with Investor and Analyst Conference Call
6 June 2024	Annual General Meeting
24 July 2024	Interim Report 2024 with Investor and Analyst Conference Call
23 October 2024	Third quarter 2024 results with Investor and Analyst Conference Call

*The secret fruit is a "banana".*



## Shareholder Structure

DB Beteiligungs-Holding GmbH, which has its registered seat in Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 87504, is the largest shareholder of DWS KGaA. On 20 April 2018 DB Beteiligungs-Holding GmbH held 158,981,872 units or a 79.49% share in DWS KGaA. DB Beteiligungs-Holding GmbH is a wholly owned subsidiary of Deutsche Bank AG.

The second largest shareholder is Nippon Life Insurance Company with a 5.00% stake as notified to us in the voting rights announcement dated 22 March 2018.

We have not been made aware of any changes in this ownership as at 31 December 2023. DWS KGaA's free float amounts to 15.51%.

## Share Liquidity and Key Data

The average daily trading volume of DWS KGaA shares was approximately 84,000 in 2023, with the highest level in February at approximately 123,000.

### Average daily trading volume in 2023

January	80,314	April	75,411	July	83,862	October	79,610
February	122,969	May	83,215	August	54,286	November	69,346
March	105,029	June	96,100	September	55,952	December	103,742

Source: Bloomberg, including German stock exchanges Xetra, Frankfurt, Stuttgart, Berlin, Düsseldorf and Munich.

### Key data

Securities identification number (WKN)	DWS100
Issuer	DWS Group GmbH & Co KGaA
International securities identification number (ISIN)	DE000DWS1007
Public or private placement	Public
Governing law(s) of the instrument	German law
Ticker symbol	DWS
Trading segment	Regulated market (Prime Standard)
Indices	SDAX
Class of shares	No par-value ordinary bearer shares
Initial listing	23 March 2018
Initial issue price in €	32.50
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	No
Fixed or floating dividend/coupon	Floating
Existence of a dividend stopper	No
Convertible or non-convertible	Non-convertible
Write-down features	No
Number of shares as of 29 December 2023	200,000,000
Market capitalization as of 29 December 2023 (in € bn.)	7.0
Share price in € as of 29 December 2023 <sup>1</sup>	34.80
Cumulative shareholder return (since 30 December 2022) in %	22.70
Period high (1 January - 29 December 2023) in € <sup>1</sup>	34.80
Period low (1 January - 29 December 2023) in € <sup>1</sup>	26.82
Amount recognised in regulatory capital (in € million, as of most recent reporting date)	200
Accounting classification	Shareholder Equity
Link to the full term and conditions of the instrument (signposting)	<a href="https://group.dws.com/link/19af41867a3549429f3abce93f6b0424.aspx">https://group.dws.com/link/19af41867a3549429f3abce93f6b0424.aspx</a>

<sup>1</sup> Xetra Closing Price.

# Summarised Management Report

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# Summarised Management Report

## About this Report

### Content and Structure

Our Annual Report combines the financial and non-financial information necessary to thoroughly evaluate our performance and, as we are a German-listed asset manager, the content is primarily guided by the legal requirements of the German Commercial Code.

KPMG AG Wirtschaftsprüfungsgesellschaft has audited our consolidated financial statements and summarised management report and has provided an unqualified audit opinion. In addition, KPMG AG has performed an independent limited assurance engagement on the sections in [square brackets].

The reporting period is the 2023 business year, covering the period from 1 January 2023 to 31 December 2023. On 7 March 2024, the Executive Board prepared the consolidated financial statements, submitted them to the Supervisory Board for review and approval, and released them for publication. Publication is in German and English, with the German version of the report being definitive.

### Financial Information

The presentation of financial information and performance of DWS KGaA and its subsidiaries complies with the requirements of International Financial Reporting Standards and, where applicable, the German Commercial Code, German Accounting Standards and the guidelines on alternative performance measures from the European Securities and Markets Authority.

Qualitative and quantitative disclosures about credit, market, strategic and non-financial risks in accordance with IFRS 7 “Financial Instruments: Disclosures” and disclosures required by IAS 1 “Presentation of Financial Statements” form part of the consolidated financial statements and are marked with a reference to IFRS 7/IAS 1.

Information in the text referring to specific standards and disclosures of the Investment Firm Regulation (IFR) or Investment Firm Directive (IFD) and their implementation into Germany’s

national law with the Investment Firm Act is marked with a reference to the respective IFR/IFD standard.

### [Integrated Non-Financial Information]

To position the Group as an independent asset manager we do not make use of the option of exemption by virtue of the non-financial report of Deutsche Bank AG according to Section 315b (2) German Commercial Code and report under the Article 8 of Regulation (EU) No 2020/852 as an asset manager.

The integrated non-financial group statement is comprised of the non-financial information in this Annual Report and satisfies the requirements of Section 340i (5) in conjunction with Sections 315b, 315c and 289c to 289e of the German Commercial Code. With regards to the applied reporting frameworks under Section 289d of the German Commercial Code, the reporting contents are oriented towards the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and consider the United Nation’s Sustainable Development Goals. Information in the text referring to specific GRI standards is marked with a reference to the respective GRI standard and summarised in the ‘Supplementary Information – GRI Content Index’.

For details on our materiality assessment matrix please refer to the section ‘Materiality Assessment’ which will form the focus of the integrated non-financial group statement and defines the limits of this statement.

In addition, the section ‘Climate Report’ addresses our climate-related ambitions and provides transparent disclosures on our climate action through our fiduciary and corporate activity in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures.

## [Materiality Assessment]

GRI 3-1; 3-2; 3-3

### Highlights

- 19 material topics in total in 2023
- Six new topics added and four material topics removed compared to 2022

### The secret object #1 is a "table".

Our materiality assessment is primarily guided by the regulatory requirements of the German Commercial Code. That means we consider those matters which were of high and very high business relevance to us and our potential impact on those topics.

### Our Approach to Identifying Our Material Topics 2023

To identify our material topics, we used a three-step approach.

#### Step 1: Identification (long list)

In 2023, we continued to use the artificial intelligence-automated ESG analytics platform to support our materiality assessment. The platform monitors the ESG landscape and produces individual financial, impact and stakeholder scores for potential material topics it has identified as relevant to our financial service sector. For a topic to be included on the medium list, its financial, impact and stakeholder scores had to be above a defined threshold.

#### Step 2: Verification (medium list)

The medium list topics were assessed using a quarterly analysis to review their materiality status and consider changes in financial, impact and stakeholder scores. The quarterly checks retained the parameters used in 2022. An additional validity assessment using updated 2023 parameters was conducted to confirm the validity of the quarterly checks.

#### Step 3: Finalisation (short list)

For a topic to be on the final list of material topics, it needed to achieve the set threshold for the financial, impact and stakeholder scores in at least four of the five checks (the four quarterly checks and one validity assessment). The result using the thresholds indicated that 19 topics were material for us in 2023.

### The Result of the Materiality Assessment 2023

The three highest scoring material topics were “Anti-Financial Crime”, “Business Ethics” and “Diversity and Equal Opportunities” (compared to “Client Satisfaction”, “Data Privacy Management” and “Anti-Financial Crime” in 2022). There were also a number of topic status changes between 2022 and 2023:

Six new topics were deemed material this year in comparison to 2022:

- Biodiversity
- Epidemics and their multi-dimensional impacts
- Geopolitical risks
- Health and wellbeing
- Human rights
- Water

In addition, four of the material topics in 2022 fell below the materiality threshold this year according to their rating in the automated ESG platform:

- Corporate reputation
- Sustainability governance structure
- Grievance mechanisms and remediation
- Responsible tax practices

The materiality assessment result was distributed to and approved by our CFO.

In the materiality table below we have mapped the material topics we identified in 2023 against the United Nations Sustainable Development Goals (SDGs). The SDGs on which we might have an impact are SDG 8: “Decent Work and Economic Growth”, SDG 9: “Industry, Innovation and Infrastructure”, SDG 10: “Reducing Inequality” and SDG 13: “Climate Action”. The SDGs 8, 10 and 13 were selected during a workshop in 2019 with the time horizon 2030 as prescribed by the UN. In 2022, these SDGs have been confirmed and we added SDG 9 following an internal review.



## Materiality table 2023

No.	Material topic <sup>1</sup>	Business relevance for DWS <sup>2</sup>	Impact of DWS impact materiality <sup>2</sup>	Relevant SDGs	Sustainability KPIs 2023 <sup>3</sup>	KPI Level of assurance <sup>4</sup>	Relevant sections in the Annual Report
1	Anti-Financial Crime	■■■■■	■■■■■	8 10			Compliance and Control – Anti-Financial Crime and Compliance
2	Business Ethics	■■■■■	■■■■■	8 10			Compliance and Control – Anti-Financial Crime and Compliance
3	Diversity and Equal Opportunities	■■■■■	■■■■■	10	Proportion of women	L	Our Responsibility – Entrepreneurial Spirit
4	Responsible Investing and Financing	■■■■■	■■■■■	8 9 10 13	ESG AuM Sustainability Rating – CDP Corporate engagements	R R R	Our Responsibility – Sustainable Action
5	Data Privacy Management	■■■■■	■■■■■	8			Compliance and Control – Data Protection
6	Cyber Security and Information Security	■■■■■	■■■■■	8			Compliance and Control – Data Protection
7	Climate Change	■■■■	■■■■■	13	ESG AuM Sustainability Rating – CDP Scope 1 and 2 operational emissions Scope 3 operational emissions (travel – air and rail) Scope 3 portfolio emissions (net zero) – inflation adj. WACI Corporate engagements	R R L L L R	Our Responsibility – Sustainable Action
8	Human Rights	■■■■	■■■■■	8 10			Our Responsibility – Entrepreneurial Spirit Our Responsibility – Our Investment Approach Our Responsibility – Human Rights
9	Company Performance	■■■■■	■■■■■	8 9	ESG AuM	R	Our Performance Indicators – Our Financial Performance Our Responsibility – Sustainable Action
10	Epidemics and their multi-dimensional impacts	■■■■	■■■■■	8			Risk Report – Non-Financial Risk
11	Board Effectiveness	■■■■■	■■■■	8 10 13			Our Responsibility – Sustainable Action
12	Compliance Management	■■■■■	■■■■	8 10 13			Compliance and Control
13	Geopolitical Risks	■■■■	■■■■				Risk Report – Financial Risk
14	Water	■■■■	■■■■	13			Our Responsibility – Sustainable Action – Biodiversity and Water
15	Biodiversity	■■■■	■■■■	13			Our Responsibility – Sustainable Action – Biodiversity and Water
16	Attractive Employer	■■■■	■■■■	8 10	Volunteer hours per employee Proportion of women	L L	Our Responsibility – Entrepreneurial Spirit
17	Business Continuity	■■■■	■■■■	8			Risk Report – Non-Financial Risk

No.	Material topic <sup>1</sup>	Business relevance for DWS <sup>2</sup>	Impact of DWS impact materiality <sup>2</sup>	Relevant SDGs	Sustainability KPIs 2023 <sup>3</sup>	KPI Level of assurance <sup>4</sup>	Relevant sections in the Annual Report
18	Health and Wellbeing	■■■■■	■■■■■	8 10			Our Responsibility – Entrepreneurial Spirit
19	Client Satisfaction	■■■■■	■■■	8			Our Responsibility – Client Commitment

<sup>1</sup> A detailed definition of the material topics can be found in the 'Supplementary Information – Materiality Assessment – Definition of Material Topics' section of this Annual Report.

<sup>2</sup> Scoring (values are rounded): ■■■■■ – highest relevance/impact, ■■■■ – very high relevance/impact, ■■■ – high relevance/impact, ■■ – limited relevance/impact, ■ – low relevance/impact.

<sup>3</sup> A detailed description of the sustainability KPIs can be found in the 'Our Responsibility – Sustainable Action' section of this Annual Report.

<sup>4</sup> R – audit procedures to obtain independent reasonable assurance, L – audit procedures to obtain independent limited assurance.

Non-financial risks are monitored through dedicated risk frameworks and processes. A more detailed description of our risk management process can be found in the 'Risk Report'. After application of the net method to determine risks subject to disclosure according to HGB, there are no net risks that are highly probable and which result or will result in severe adverse impacts on the reported aspects. Reportable relations to the amounts of the Consolidated Financial Statements have not been determined.

## Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code

In the declaration on corporate governance we follow the transparency requirements of the German Corporate Governance Code.

The Group's Corporate Governance Statement according to Sections 289f and 315d of the German Commercial Code is available in section 'Corporate Governance Statement' of this Annual Report and is also available as PDF document on our website <https://group.dws.com/corporate-governance/corporate-governance-report/>.

## Compensation Report pursuant to Section 162 of the Stock Corporation Act

The Compensation Report for the reporting period and the auditor's report pursuant to Section 162 of the Stock Corporation Act (Aktiengesetz – AktG), the applicable compensation system pursuant to Section 87a of the Stock Corporation Act and the resolution pursuant to Section 113 (3) of the Stock Corporation Act on the compensation of the Supervisory Board, is available in the section 'Compensation Report' of this Annual Report.

*The secret landmark is the "Statue of Liberty".*

## Data and Presentation

### GRI 2-3

All information and bases for calculation in this Annual Report are based on national or international standards for financial and non-financial reporting. Internal control mechanisms are designed to ensure the reliability of the information presented in this Annual Report.

Our accompanying consolidated financial statements are stated in Euro (EUR) the presentation currency of the Group except when otherwise indicated and are rounded to the nearest million. Due to rounding, numbers presented throughout this Annual Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. "N/A" means not applicable.

Our scope of consolidation for our Group's financial reporting and the integrated non-financial group statement comprises DWS KGaA, with its headquarters in Frankfurt am Main, Germany, and all of its fully consolidated subsidiaries. Shares in joint ventures and associated

companies are accounted for, if material, using the Equity method in our consolidated financial statements and are thus not included in the scope of consolidation.

With the exception of the 'Consolidated Statement of Cash Flows', we apply to all numbers the "positive as normal" convention, with all numbers being considered positive. The "direction of flow" is determined by the label and inflow numbers will include labels such as fee and interest income. Outflow line items will have labels such as fee expense, compensation and benefits or expenses.

Throughout this Annual Report, gender-specific terms may be used to ease the text and reading flow. Whenever a gender-specific term is used, it should be understood as referring to all genders and does not contain any judgment. For an explanation of the abbreviations and technical terms used in this report, please refer to the section 'Supplementary Information – Glossary'.

## External Audit and Evaluation

### GRI 2-5

Our reporting is independently audited by third parties. KPMG AG has audited our consolidated financial statements and summarised management report and has provided an unqualified audit opinion. In addition, KPMG AG has performed an independent limited assurance engagement on the sections in [square brackets].

The Independent Practitioner's Reports can be found in the 'Consolidated Financial Statements – Independent Auditor's Report'.

The section 'External Audit and Evaluation' and information referred to as additional information, as well as references to our corporate and external websites and the references to the respective GRI or IFR/IFD standard, indicated in this Annual Report are not part of the information audited by KPMG.

## Cautionary Statements

This Annual Report contains forward-looking statements.

Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of DWS Group GmbH & Co. KGaA. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update any of them publicly in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks.

# Who We Are

GRI 2-1; 2-6; 3-3

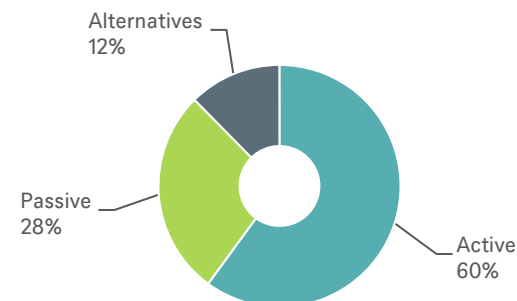
We are aspiring to be a leading asset manager with € 896 billion in assets under management (AuM) as of 31 December 2023. We are headquartered in Germany with approximately 4,500 employees operating globally. The Group consists of 75 consolidated entities, of which 47 are subsidiaries and 28 consolidated structured entities, with DWS KGaA as the parent holding company. DWS KGaA has no branches of its own. However, six of our subsidiaries have a total of 24 branches across all regions including 14 branches in EMEA, eight in the Americas and two in Asia Pacific. These branches mainly provide distribution and supporting services.

We serve a diverse client base of retail and institutional investors worldwide, with a strong presence in our home market in Germany. These clients include large government institutions, corporations and foundations as well as millions of individual investors. We are the holding company of a Group including regulated asset managers which act as fiduciary for their clients, and we are conscious of our societal impact. Furthermore, responsible investing has been an important part of our heritage for more than twenty years, and we are committed to acting and investing in our clients' best interests.

We offer individuals and institutions access to our investment capabilities across all major asset classes in Active, Passive including our Xtrackers range and Alternatives. Alternatives include real estate, infrastructure, liquid real assets and sustainable investments. In addition, our solution strategies are targeted to client needs that cannot be addressed by traditional asset classes alone. Such services include insurance and pension solutions, asset-liability management, portfolio-management solutions and asset-allocation advisory.

Our product offerings are managed by a global investment platform and distributed across EMEA (Europe, Middle East and Africa), the Americas and Asia-Pacific through a single global distribution network. We also leverage third-party distribution channels, including our largest shareholder Deutsche Bank.

## Assets under management by asset classes



## European origin with a global perspective



**The secret kitchen appliance is a "rice cooker".**



# Our Strategy and Our Market

## Our Strategy

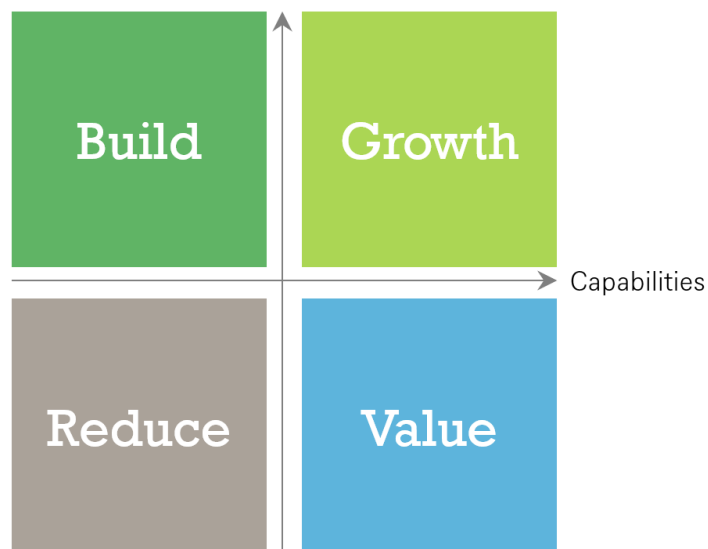
GRI 2-12; 2-13; 3-3

Our strategy is composed of the four elements “Growth, Value, Build and Reduce”, which are aligned with our capabilities and the growth prospects of the market.

### Our strategy elements

*The secret office supply is a "paperclip".*

Market growth potential



We aim to maintain our leading market position in Germany, building on our expertise and established customer relationships. In addition to expanding our existing partnerships, we are developing new distribution channels to gain additional market share. We see additional market potential especially in alternative investments and passive index funds, represented by our Xtrackers brand. We continuously evaluate opportunities both in individual asset classes

and also at Group level as part of our annual strategic planning and budgeting process. Our overall strategy also takes sustainability into account with details outlined in the updated sustainability strategy.

We operate in a constantly changing market environment and face a variety of economic, fiscal, political and environmental challenges. Details on our business outlook, opportunities and risks can be found in the section ‘Outlook – DWS Group’.

## Growth

We see our strength and growth potential in Passive and Alternatives.

Passive – in particular represented by the Xtrackers brand – offers sustained and profitable growth potential, provided sufficient scalability is in place for a given product segment. Building on our franchise and European business, we have decided to invest in a US growth plan including sustainable, thematic, and actively managed ETFs. We also see strong demand for mandates in Asia-Pacific, which is why we plan to expand our customised mandate business there. In addition to regional growth potential, we continue to see opportunities for bespoke Passive solutions to outperform broad index replication.

In Alternatives, investor interest in real estate investments has waned, while we still see strong demand for infrastructure investments. However, we expect an increase in demand for Alternatives, especially as the democratisation of this asset class continues across all sub-asset classes. We want to facilitate the European transformation by closing the gap between capital demand and supply with private capital investment solutions that include transition to net zero, reorganisation of supply chains and digital business models. We continue to focus on our real estate and infrastructure investment platforms and are also positioning ourselves in the private debt space.

## Examples of Progress

We expanded our Xtrackers offering in our largest market, the European UCITS segment. These include products focusing on biodiversity, short maturity eurozone bonds, as well as ESG factor investing and dividend ESG. In the United States, we listed new thematic ETFs and launched our Xtrackers MSCI USA Climate Action Equity ETF. In Asia-Pacific, we were able to

strengthen our Passive business with a new, specialised investment team in Hong Kong and inflows of more than € 2.5 billion from Australia and New Zealand.

In Alternatives, we explored a variety of organic and inorganic growth opportunities. We launched our first infrastructure retail fund in Europe. In the United States, we introduced a fund investing in residential real estate.

## Value

We aim to maintain leadership in mature markets in Active, particularly Equity and Fixed Income, and to increase the scalability of our Multi-Asset solutions through modularisation solutions.

In Equity, we intend to selectively expand our platform. Given the changing market environment and higher interest rates, we will continue to focus on Fixed Income and institutional investors. In Multi-Asset, we want to further strengthen our solutions capabilities and are enhancing our modular investment platform in order to achieve economies of scale. With an increasing importance of investment advisory and outsourced CIO services, we want to expand our current offering in this segment.

### Examples of Progress

We have established a Global Insurance Council to strengthen our focus on insurance clients as well as the distribution of our Active Fixed Income products. Additionally, we reorganised our Fixed Income investment platform in the Americas to improve cross-sector collaboration. In 2023, we continued to optimise our product portfolio by merging or closing several funds. We modularised and automated key elements of our portfolio management value chain, such as security selection.

## Build

In terms of digitalisation trends, we are focusing on Asset Management-as-a-Service and digital assets.

We expect that Asset Management-as-a-Service will improve the digital investor journey. Therefore, we plan to build a respective modular offering which is scalable and integrated via application programming interfaces into offerings of new and our existing distribution partners.

We see an increasing tokenisation of our economy. With the resulting changes in the market structure, we want to utilise a blockchain infrastructure, develop new products and reach

digital native clients. In particular, we are exploring opportunities to issue traditional investment products via blockchain and to provide access to cryptocurrencies through organic investments and partnerships.

### Examples of Progress

As part of our strategic alliance with Galaxy Digital, we established the DWS Digital Assets Academy, an internal educational training program designed to upskill employees on the fundamentals of digital assets, their importance for the future of finance and their integration into investment portfolios.

In December 2023, we agreed to establish a joint venture together with Galaxy Digital and Flow Traders. Bringing together traditional asset management expertise with digital asset know-how, our collective mission is to revolutionise the on-chain economy by issuing a fully collateralised euro-denominated stablecoin in a regulated environment.

## Reduce

We intend to reallocate financial resources in order to fund investments in “Build” and “Growth”. In this context, we continuously analyse measures to increase efficiency, including divestment from sub-scale businesses and reduction of management layers. Our efficiency measures including divestment are designed to avoid negative impact on our business.

### Examples of Progress

In 2023, we completed the sale of our Private Equity Solutions business. As part of a broader efficiency programme, we also reduced management levels in our organisation.

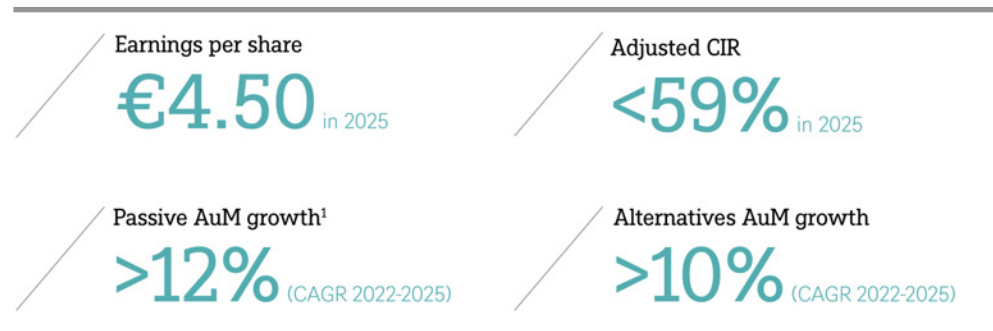


## Internal Management System

Based on our strategy, we aim to deliver the following medium-term financial targets by 2025:

- We remain committed to creating shareholder value, reflected in an earnings per share target.
- We remain disciplined on cost, measured and controlled by the adjusted cost-income ratio.
- Our AuM growth strategy focuses on Passive – including Xtrackers – and Alternatives.

### Financial key performance indicators (medium-term to 2025)



Targets assuming stable market conditions.

<sup>1</sup> Including our Xtrackers brand.

Calculation details on our medium-term financial key performance indicators and the respective results for 2023 are presented in 'Our Performance Indicators – Our Financial Performance'.

In addition, we guided on a targeted payout ratio of 65 percent from 2025 onwards as a further financial measure.

## Sustainability

In 2023, we updated our sustainability strategy and refined our sustainability priorities. Our ambition is to enable our clients to navigate the sustainable transformation of the real economy by providing them with investment expertise and solutions. Climate change remains the core theme of our updated sustainability strategy, which we have built around three priorities:

The secret object #3 is a "fork". Provide access to climate-related investment opportunities, going hand-in-hand with our thought leadership and modular advisory approach.

### 2. Strengthen engagement with investees and other relevant stakeholders:

Transformation will be key to succeed in climate risk mitigation. In that context we aim to continuously evolve our engagement approach with investee firms, clients and index providers as well as other industry groups.

### 3. Advance our own corporate transformation:

Following our commitment to net zero, we seek to focus on delivery against our net zero targets. Furthermore, we seek to strengthen our corporate sustainability agenda and the supporting organisational change process.

Across all our activities, we acknowledge differences in client preferences and regulatory frameworks, and we seek to take those into account in our product offering, engagement and proxy voting activities.

Our sustainability strategy is underlined by KPIs that are tracked and monitored on a regular basis. For further information and an overview of our 2023 sustainability KPI results please refer to 'Our Responsibility – Sustainable Action'.

## Economic and Competitive Environment

### Global Economy

The inflation rate in the Euro area peaked at 10.6% in October 2022; since then, inflation rates have fallen steadily. In November 2023, the inflation rate was down to 2.4%, before climbing to 2.9% in December (eurostat). However, it was still above the target by the European Central Bank. Against this backdrop, the European Central Bank raised its key interest rate (deposit rate) from minus 0.5% to 4% in just over a year. At the beginning of 2023, the economy was still facing several problems: difficulties in supply chains, the threat of gas shortages and a shortage of skilled workers. However, restrictive monetary policy did not fail to have an impact. Demand-side problems dominated. In addition to weak private consumption due to high inflation, investments, especially into interest-sensitive construction investments, were weak. Overall, according to eurostat, the euro area economy has grown only 0.5% in 2023, after 3.4% in the previous year.

The US ended 2023 stronger than expected, as tailwinds such as excess savings and robust labour markets supported consumption, especially in the third quarter. Inflation rates continued to decline from their peaks in 2022, reinforcing expectations that previous policy rate hikes are now having their expected effect on the economy. This view is also supported by the continued easing of labour market conditions. The Federal Reserve stopped raising rates after its July meeting and switched to a data-dependent mode, maintaining its hawkish bias. This hawkish bias reflects the remaining uncertainty about the ultimate impact of monetary policy on the economy. Still, inflation remains too high to declare victory. At the same time, central bankers seem to have shifted to a more balanced risk assessment, taking into account the potential unwanted negative effects of past rate hikes on economic momentum.

In Japan, the only industrialized country to maintain negative key interest rates, the central bank eased its yield curve control in July and October. The upper limit for ten-year yields is now at a flexible reference value of 100 basis points. Supported by a recovery following the end of the coronavirus protection measures and a weak yen exchange rate, the economy has performed solidly and has grown based on preliminary numbers by 1.9% in 2023 (Cabinet Office, Japan).

After a strong post-COVID-19 recovery in the first quarter, China's economy slowed rapidly in the second quarter as consumer and business confidence weakened amid mounting debt problems in the real estate development sector and stretched fiscal and debt positions of local governments. The central government stepped up its support for the property sector.

Policy support has now been broadened to address the most pressing issues. It began in the second quarter by improving access to financing for developers and helping to complete the large backlog of unfinished real estate projects, thus removing an important initial hurdle to improving the market. The next focus was on removing the many hurdles and restrictions to home ownership. Monetary stimulus and generous financing for infrastructure investment were stepped up. Debt restructuring of the highly indebted local government financing vehicles – another necessary condition for achieving a more sustainable situation and improving confidence – began in the third quarter. Robust investment in manufacturing and infrastructure as well as consumption spending, together with strong growth in the service sector, led to a strong rebound in the third quarter. The government's 5% growth target for 2023 was even slightly higher with 5.2% (National Bureau of Statistics of China)

### Asset Management Industry

The asset management industry faced another turbulent year in 2023, following the challenges of the prior twelve months, which led to a decline in global assets under management. Despite a positive start to the year the US regional banking crisis and the forced merger of Switzerland's two largest banks in Europe unnerved investors and markets. Meanwhile, concerns about central bank interest rates hikes, recession risks, deglobalization and, heightened geopolitical pressures continued, posing potential risks to business if not handled appropriately by national or subnational governments or agencies. Therefore, such developments will be closely monitored, i. e. tension between the US and China, the war in Ukraine and latterly the conflict in Gaza.

During the year, market uncertainty resulted in investors, particularly those in the US, seeking refuge in money market funds with the sector recording strong inflows, which were further buoyed by higher interest rates. Higher interest rates also encouraged investors back into bonds particularly in the first half of the year, following redemptions in 2022. Investors continued to favour passive investments over Active strategies with ETF inflows continuing to see positive momentum. Demand for alternative investments slowed with higher interest rates and lower valuations impacting some asset classes, although pockets of interest persisted, notably in green infrastructure and some private debt strategies.

New technology continued to be pivotal to product innovation and greater customisation as well as being an important lever for asset managers looking to reduce costs and increase efficiency in the less favourable investment environment.

Sustainable investing continued to be a key element of many large institutional investors' portfolios, despite the continuing political backlash in the US. Although sustainable fund market flows dipped in 2023 year-on-year, "dark green" strategies with the strongest

sustainable credentials reported robust net flows and sustainable investing also continued to gather pace in the alternative space with more transition strategies launched.

## DWS Group

As a global asset manager with diverse investment capabilities that span traditional Active and Passive strategies, as well as alternatives and bespoke solutions, we were well positioned to address the aforementioned industry challenges and market uncertainties and to capture market opportunities. By anticipating and responding to investor needs, we aspire to be the investment partner of choice and to create sustainable value for our global client base. We were able to offer clients a comprehensive range of investment solutions from our global investment platform covering all major asset classes and investment styles.

With our range of Alternative investments including real estate, infrastructure, liquid real assets, and sustainable investments, we provided products to our clients with higher return that are designed to contribute to achieving their long-term investments objectives.

Given the global presence of our passive investment platform, we were well positioned to take advantage of the continuing shift to passive investments, offering passive mutual funds, mandates and ETFs. Our Passive investment platform, Xtrackers, was among the Top 3 European providers of ETFs and other Exchange Traded Products (ETFGI, 31 December 2023).

We recognized growing demand from investors for greater integration of sustainable investment strategies, especially as issues such as climate change receive increasing attention. We believe that our expertise in sustainable investments, as well as our expanded product range, have provided valuable contribution to protecting and growing our clients' assets over the long term and in a sustainable manner.

# Our Performance Indicators

The secret flower is a "sunflower".

## Our Financial Performance

GRI 201-1

Overall, we had a solid year of financial performance in 2023. In a “flow-less” market recovery, which made it difficult for the asset management industry, we recorded net inflows of € 28 billion. Our AuM increased by € 75 billion in the year to € 896 billion. The market continued to be challenging for Alternatives, AuM decreased from € 118 billion to € 111 billion, mainly driven by negative market impact and FX movements. Our targeted growth area of Passive had an exceptional year, and grew its AuM by 24% in 2023, which is far above our growth target of >12% (CAGR 2022-2025). Due to market turmoil in 2022, the year 2023 started with a significantly lower average AuM than in the previous year. Reported revenues of € 2,614 million are 4% below prior year, mainly driven by lower management fees. Increased investment into our growth and transformation resulted in an adjusted cost-income ratio of 64.0%, compared to 60.6% in prior year. Profit before tax is 10% lower than the prior year, resulting in lower earnings per share of € 2.76 compared to € 2.97 in 2022.

## Alternative Performance Measures

### Alternative performance measures

	2023	2022
<b>Assets under management (in € bn. as per period end)</b>	<b>896</b>	<b>821</b>
Thereof: ESG AuM (in € bn. as per period end) <sup>1</sup>	133	117
<b>Net flows (in € bn.)</b>	<b>28</b>	<b>(20)</b>
Management fee margin (in basis points (bps))	27.1	28.1
Adjusted revenues (in € m.)	2,603	2,683
Adjusted costs (in € m.)	1,665	1,625
Cost-income ratio (in %)	70.3	68.1
<b>Adjusted cost-income ratio (in %)</b>	<b>64.0</b>	<b>60.6</b>
<b>Adjusted profit before tax (in € m.)</b>	<b>937</b>	<b>1,057</b>

<sup>1</sup> For details on ESG product classification, please refer to section ‘Our Responsibility – Sustainable Action– Our Product Suite’.

Alternative performance measures are used to judge the Group’s historical or future performance and financial position but are not recognised under generally accepted

accounting principles. These include assets under management and net flows, which are important key performance indicators to evaluate revenue potential and business development. To better enable comparison of the revenue and cost development over several periods, non-recurring items are excluded from net revenues or total non-interest expenses.

Our management uses these measures as supplemental information to develop a fuller understanding of the development of our business and the ability to generate profit. They should only be considered in addition to net income or profit before tax as measures of our profitability. Similar alternative performance measures are used by our peers within the asset management industry, but these may be calculated differently and may not be comparable to the alternative performance measures we use, even if the names suggest that they are similar.

**Assets under management** means assets (a) we manage on a discretionary or non-discretionary advisory basis; including where we are the management company and portfolio management is outsourced to a third party; and (b) a third party holds or manages and on which we provide, on the basis of contract, advice of an ongoing nature including regular or periodic assessment, monitoring and/or review. AuM represent both collective investments (including mutual funds and exchange-traded funds) and separate client mandates. AuM are measured at current market value based on the local regulatory rules for asset managers at each reporting date, which might differ from the fair value rules applicable under IFRS. Measurable levels are available daily for most retail products but may only update monthly, quarterly or even yearly for some products. While AuM do not include our investments accounted for under equity method, they do include seed capital and any committed capital on which we earn management fees.

**Net flows** represent assets acquired or withdrawn by clients within a specified period, except when a third party holds or manages the assets on which we provide, on the basis of contract, advice of an ongoing nature including regular or periodic assessment, monitoring and/or review in which case we include the difference in the value of such assets within the specified period which may include currency effects, market performance and other effects. Net flows are one of the major drivers of changes in AuM.

**Management fee margin** is calculated by taking the management fees and other recurring revenues for a period, divided by average AuM for the same period. Annual average AuM are

calculated using AuM at the beginning of the year and the end of each calendar month (i. e. 13 reference points for a full year).

**Adjusted revenues** present net interest and non-interest income excluding material non-recurring income items that are clearly identifiable one-off items, such as disposal gains. We use this metric to show revenues on a continuing operating basis, in order to enhance comparability against other periods.

#### Reconciliation of net interest and non-interest income to adjusted revenues

in € m.	2023	2022
<b>Net interest and non-interest income</b>	<b>2,614</b>	<b>2,712</b>
Non-recurring disposal gains	(12)	(30)
<b>Adjusted revenues</b>	<b>2,603</b>	<b>2,683</b>

**Adjusted costs** are an expense measure we use to better distinguish between total costs (non-interest expenses) and our ongoing operating costs. This measure is adjusted for litigation, restructuring, severance costs, impairment of goodwill and impairment (impairment reversal) of other intangible assets as well as for transformational charges in relation to our multi-year transformation program and other material non-recurring expenses that are clearly identifiable one-off items.

#### Reconciliation of non-interest expenses to adjusted costs

in € m.	2023	2022
<b>Non-interest expenses</b>	<b>1,837</b>	<b>1,847</b>
Litigation	(36)	(26)
Restructuring activities	0	0
Severance costs	(34)	(37)
Impairment of goodwill and impairment/(impairment reversal) of other intangible assets	0	(68)
Transformational charges	(99)	(58)
Other material non-recurring expenses	(2)	(32)
<b>Adjusted costs</b>	<b>1,665</b>	<b>1,625</b>

**Cost-income ratio** is the ratio of non-interest expenses to net interest and non-interest income.

**Adjusted cost-income ratio** is the ratio of adjusted costs to adjusted revenues.

**Adjusted profit before tax** is calculated by adjusting the profit before tax to account for the impact of the revenue and cost adjustment items as explained above.

## Results of Operations

in € m. (unless stated otherwise)	2023	2022	Change from 2022	
			in € m.	in %
Management fees income	3,563	3,719	(156)	(4)
Management fees expense	1,248	1,263	(15)	(1)
<b>Net management fees</b>	<b>2,315</b>	<b>2,456</b>	<b>(141)</b>	<b>(6)</b>
Performance and transaction fee income	132	134	(1)	(1)
Performance and transaction fee expense	4	8	(4)	(46)
<b>Net performance and transaction fees</b>	<b>128</b>	<b>125</b>	<b>2</b>	<b>2</b>
<b>Net commissions and fees from asset management</b>	<b>2,443</b>	<b>2,582</b>	<b>(138)</b>	<b>(5)</b>
Interest and similar income	117	39	78	N/M
Interest expense	14	18	(4)	(24)
<b>Net interest income</b>	<b>103</b>	<b>21</b>	<b>82</b>	<b>N/M</b>
Net gains (losses) on financial assets/liabilities at fair value through profit or loss <sup>1</sup>	113	(185)	299	N/M
Net income (loss) from equity method investments	42	66	(24)	(36)
Provision for credit losses	0	(1)	1	(80)
Other income (loss) <sup>1</sup>	(88)	228	(316)	N/M
<b>Total net interest and non-interest income</b>	<b>2,614</b>	<b>2,712</b>	<b>(98)</b>	<b>(4)</b>
Compensation and benefits	865	846	20	2
General and administrative expenses	972	933	39	4
Impairment of goodwill and impairment/(impairment reversal) of other intangible assets	0	68	(68)	N/M
<b>Total non-interest expenses</b>	<b>1,837</b>	<b>1,847</b>	<b>(10)</b>	<b>(1)</b>
<b>Profit (loss) before tax</b>	<b>777</b>	<b>866</b>	<b>(88)</b>	<b>(10)</b>
Income tax expense	224	271	(46)	(17)
<b>Net income (loss)</b>	<b>553</b>	<b>595</b>	<b>(42)</b>	<b>(7)</b>
Attributable to:				
Non-controlling interests	2	1	1	145
DWS shareholders	552	594	(43)	(7)

<sup>1</sup> Net gains (losses) on financial assets/liabilities at fair value through profit or loss is mainly attributable to trading assets held by guaranteed funds of € 111 million for 2023 (€ 186) million for 2022). This is offset by income (loss) from liabilities held by guaranteed funds of € (111) million for 2023 (€ 186 million for 2022) shown in other income. DWS Group has no shares in these funds. Other income includes a sales gain of € 30 million for 2022 from the transfer of the digital investment platform to MorgenFund GmbH.

In 2023 we reported a profit before tax of € 777 million, a decrease of € 88 million, or 10%, compared to prior year.

Total net interest and non-interest income was € 2,614 million, 4% lower compared to 2022 driven by lower management fees. Management fees were impacted by negative market developments, margin compression and the composition of the net inflows in Alternatives. Performance and transaction fees remained essentially flat. Other revenues were € 171 million, an increase of € 40 million compared to 2022, primarily driven by net interest income and favourable development of fair value of guarantees as well as deferred compensation hedge. This was partly offset by lower mark to market valuations of co-investments as well as lower revenue contributions from our investments in Harvest Fund Management Co Ltd and MorgenFund GmbH.

Non-interest expenses of € 1,837 million were essentially flat compared to 2022. Compensation and benefits costs increased by € 20 million mainly driven by an increase in the size of the workforce. General and administrative expenses were € 39 million higher compared to 2022, with an increase in platform transformation charges as well as higher banking servicing costs, partly offset by lower expenses related to legal services and lower costs for our outsourced functions to Deutsche Bank Group entities. Non-operating costs were significantly lower due to an impairment of intangible assets related to 2022.

**Assets under management** is a key factor affecting the results of operations as a significant percentage of management fees is charged as a proportion of AuM. Assuming management fee margins remain unchanged, an increase in the level of average AuM will generally lead to an increase in revenues.

Assets under management were € 896 billion as of 31 December 2023, an increase of € 75 billion compared to 31 December 2022. The increase was driven by a positive market impact of € 57 billion and net flows of € 28 billion, partly offset by foreign exchange impact of € (12) billion. Net inflows were driven by Passive including Xtrackers, Active Cash and Active Multi Asset, partly offset by net outflows in Active Equity and Active Systematic and quantitative investments.

**FX impact** represents the currency movement of products denominated in local currencies against the euro. It is calculated by applying the change in FX rate to the ending period assets and is calculated monthly.

**Market impact** primarily represents the underlying performance of the AuM, which is driven by market effects (equity indices, interest rates, foreign exchange rates) as well as fund

performance. The market impact in the period led to an increase in AuM of € 57 billion particularly in our Active Equity, Active Fixed Income and Passive products including Xtrackers.

**Other** includes the impact of acquisitions and divestment as well as reclassifications of asset classes.

#### AuM development in 2023

	31 Dec 2022				2023	31 Dec 2023
in € bn.	AuM	Net flows	FX impact	Performance	Other	AuM
<b>By asset classes:</b>						
Active Equity	99	(2)	(1)	11	0	107
Active Multi Asset	68	4	0	3	1	76
Active Systematic and quantitative investments	64	(2)	0	5	(1)	66
Active Fixed Income	194	0	(3)	12	0	203
Passive including Xtrackers	199	21	(4)	31	0	247
Alternatives	118	0	(2)	(5)	0	111
<b>Total exluding Cash</b>	<b>741</b>	<b>23</b>	<b>(10)</b>	<b>57</b>	<b>1</b>	<b>811</b>
Active Cash	80	6	(2)	1	0	85
<b>Total</b>	<b>821</b>	<b>28</b>	<b>(12)</b>	<b>57</b>	<b>1</b>	<b>896</b>

The secret animal #3 is a "shark".



## Our Financial Position

### Liquidity

We principally fund our business through equity and may use debt to address specific financing demands. To ensure that we can always fulfil our payment obligations in all currencies, we operate a liquidity risk management framework that includes stress-testing of our liquidity position. During the annual strategic planning process, we project the development of key liquidity and funding metrics based on the underlying business plan to ensure compliance with our risk appetite.

As of 31 December 2023, we held cash and bank balances, government, sub-sovereign and corporate bonds and other debt instruments totalling € 3,570 million (€ 3,577 million as of 31 December 2022).

On 30 June 2023, we received our long-term issuer credit rating from the rating agency Moody's Investors Service. The rating of A2 with a stable outlook can also be used for diversifying our funding options.

### Net Assets

#### Selected items within our financial position

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
<b>Assets:</b>				
Cash and bank balances	1,414	1,979	(565)	(29)
Financial assets at fair value through profit or loss	4,868	3,959	910	23
Goodwill and other intangible assets	3,694	3,749	(54)	(1)
Remaining assets <sup>1</sup>	1,707	1,725	(19)	(1)
<b>Total assets</b>	<b>11,683</b>	<b>11,412</b>	<b>272</b>	<b>2</b>
in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
<b>Liabilities and equity:</b>				
Financial liabilities at fair value through profit or loss	633	634	(1)	0
Remaining liabilities <sup>2</sup>	3,233	2,950	284	10
<b>Total liabilities</b>	<b>3,866</b>	<b>3,584</b>	<b>282</b>	<b>8</b>
<b>Equity</b>	<b>7,817</b>	<b>7,828</b>	<b>(10)</b>	<b>0</b>
<b>Total liabilities and equity</b>	<b>11,683</b>	<b>11,412</b>	<b>272</b>	<b>2</b>

<sup>1</sup> Sum of financial assets at fair value through other comprehensive income, equity method investments, loans, property and equipment, right-of-use assets, other assets, assets for current tax, and deferred tax assets.

<sup>2</sup> Sum of other short-term borrowings, lease liabilities, other liabilities, provisions, liabilities for current tax and deferred tax and long-term debt.

Cash and bank balances decreased by € 565 million (29%) driven by dividend payment of € 410 million and net tax paid of € 253 million partly offset by net cash received in the regular course of business of € 98 million. The increase in financial assets at fair value through profit or loss of € 910 million (23%) was mainly driven by net investments in liquidity positions of € 556 million and by the increase of assets in consolidated funds of € 315 million.

*The secret instrument is a "piano".*

### Capital Management

#### IFR Article 50(a)

A forward-looking capital plan is maintained to assess the development of capital supply and demand and the projected capitalization of the Group from an accounting, regulatory and economic perspective. The economic perspective considers all relevant risks quantified by economic capital models using internal definitions and quantification methods. Capital planning is embedded into the Group's overall strategic planning process to ensure an integrated financial and risk planning approach and considers appropriate risk appetite thresholds. Results of the planning process feed into management decisions. They support the strategic direction of the Group in the assessment of potential profitable growth and investment opportunities.

### Capital Expenditures

In 2023, the Group made capital expenditures in intangible assets of € 67 million and no material capital expenditures in property and equipment. Contingent liabilities decreased by € 5 million from € 111 million as of 31 December 2022 to € 106 million as of 31 December 2023 mainly driven by drawdowns of commitments for co-investments.

The remaining liabilities increase of € 284 million (10%) was mainly driven by other liabilities held by consolidated funds of € 204 million and other liabilities of € 80 million.

## Equity

Total equity as of 31 December 2023 was € 7,817 million compared to € 7,828 million as of 31 December 2022. The decrease of € 10 million was mainly driven by the dividend payment of € 410 million for the year 2022, and the negative impact from foreign exchange rate movements on capital denominated in non-Euro currencies of € 140 million offset by net income after tax for the year 2023 of € 553 million.

## Regulatory Own Funds

IFRS 7/IAS 1

IFR Articles 49(1)(c), 50(c), 50(d)

Our regulatory own funds and own funds requirements are based on the Regulation (EU) 2019/2033 on the prudential requirements of investment firms (IFR), the Directive (EU) 2019/2034 on the prudential supervision of investment firms (IFD), and the Investment Firm Act. We are an investment firm group under IFR.

Our regulatory own funds increased by € 21 million to € 3,062 million as of 31 December 2023. The increase was mainly driven by recognition of profits and the partially offsetting negative impact from foreign exchange rate movements on capital denominated in non-Euro currencies. Our own funds consist of Common Equity Tier 1 capital. There are no additional Tier 1 or Tier 2 instruments issued.

The own funds requirement based on K-factors according to IFR was € 524 million as of 31 December 2023, a decrease by € 62 million compared to € 587 million as of 31 December 2022. The decrease was largely due to the impact from lower average assets safeguarded and administered.

The fixed overheads requirement as of 31 December 2023 was € 411 million compared to € 377 million as of 31 December 2022 and was lower than the own funds requirement based on K-factors. As in the previous year, our own funds requirement was therefore still based on the K-factors. The own funds excess over K-factor requirements was € 2,538 million as of 31 December 2023. With that we comply with the overall regulatory capital requirements according to IFR article 11.

We applied the IFR and related regulatory technical standards where available. Where individual technical standards are still pending, we aligned our approach to the Regulation (EU) No 575/2013, that applied to us until the introduction of the IFR. We do not expect changes with final publication of such regulatory technical standards.

## Regulatory own funds and requirements<sup>1</sup>

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022
<b>Regulatory own funds:</b>		
Common Equity Tier 1 capital	3,062	3,041
Tier 1 capital (CET1 + AT1)	3,062	3,041
Tier 2 capital	0	0
<b>Total regulatory own funds</b>	<b>3,062</b>	<b>3,041</b>
<b>K-factor requirement:</b>		
K-AuM (assets under management)	170	177
K-ASA (assets safeguarded and administered)	5	49
K-COH (client orders handled)	0	0
K-NPR (net position risk)	350	361
<b>Total own funds requirement based on k-factors</b>	<b>524</b>	<b>587</b>
<b>Own funds excess (shortfall)</b>	<b>2,538</b>	<b>2,455</b>

<sup>1</sup> Scope and methods of consolidation in line with CRR and regulatory technical standards.

## Reconciliation of IFRS equity to regulatory own funds

in € m.	31 Dec 2023	31 Dec 2022
Shareholders' equity, as defined by IFRS, regulatory basis of consolidation	7,763 <sup>1</sup>	7,799
Elimination of net income, net of profit recognition	482	459
Deduction of:		
Goodwill and other intangible assets (net of related deferred tax liabilities)	3,470	3,542
Deferred tax assets	131	157
Financial sector entities	535	513
Other <sup>2</sup>	84	86
<b>Regulatory own funds</b>	<b>3,062</b>	<b>3,041</b>

<sup>1</sup> Adjusted by lower prudentially recognized retained earnings of € 28 million.

<sup>2</sup> Synthetic holdings of own CET1 instruments, prudent valuation, defined benefit pension plan assets, minimum value commitments.

## Supplementary Information on DWS Group GmbH & Co. KGaA according to German Commercial Code

We chose the option of publishing a summarised management report in accordance with Section 315 (5) in conjunction with Section 298 (2) of the German Commercial Code. Supplementary to our Group reporting, this section provides details on the performance of DWS KGaA.

In contrast to the consolidated financial statements, the single entity financial statements of DWS KGaA are not prepared in accordance with International Financial Reporting Standards (IFRS), but with the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG).

### Results of Operations of DWS KGaA

in € m. (unless stated otherwise)	2023	2022	Change from 2022	
			in € m.	in %
Income from profit pooling agreements	633	540	93	17
Income from participating interests	197	222	(25)	(11)
Impairment on financial assets and on securities held as current assets	7	71	(64)	(90)
Other income	177	144	33	23
Staff expenses	46	35	11	33
Other operating expenses	234	250	(16)	(6)
Other interest and similar income	20	2	17	N/M
Interest and similar expenses	29	5	24	N/M
Income taxes	169	135	34	25
<b>Net income</b>	<b>541</b>	<b>412</b>	<b>129</b>	<b>31</b>
Profit carried forward from the previous year	222	220	2	1
Withdrawals from the capital reserve	800	0	800	N/M
<b>Distributable profit</b>	<b>1,564</b>	<b>632</b>	<b>931</b>	<b>147</b>

The business purpose of DWS KGaA as parent company of the Group is the holding of participations in and the management and support of a group of financial services providers. DWS KGaA itself is not active in the operating asset management business.

Significant financial income components of DWS KGaA are from profit pooling agreements and participating interests. Earnings therefore largely depend on the performance of our subsidiaries.

Income from profit pooling agreements with German subsidiaries increased by € 93 million to € 633 million in 2023, mainly due to higher profit transferred from DWS Beteiligungs GmbH.

Income from participating interests amounted to € 197 million in 2023 and mainly included dividends from DWS Investments UK Limited, DWS USA Corporation and DWS Investments Singapore Limited.

Impairment on financial assets and securities held as current assets amounted to € 7 million compared to € 71 million in the previous year and related to our participating interests.

Other income was € 177 million compared to € 144 million in 2022. The increase mainly related to higher income from recharging service and infrastructure expenses including transformational charges to our subsidiaries.

Staff expenses increased by € 11 million to € 46 million mainly due to higher salary and related expenses due to an increased number of employees and higher severances.

Other operating expenses decreased by € 16 million to € 234 million, mainly due to decreased expenses for professional services and lower losses from derivatives on our share price-linked equity-based compensation, partly offset by higher transformational IT costs.

Other interest and similar income amounted to € 20 million. The increase of € 17 million compared to previous year was mainly driven by increased interest income from current accounts and from loans granted to subsidiaries. Interest and similar expenses increased by € 24 million to € 29 million, mainly due to higher interest expenses for borrowings from subsidiaries as well as for the cash pool established in 2023 within DWS KGaA and its major German subsidiaries to concentrate EUR liquidity.

Income tax expense of € 169 million consisted of € 117 million current tax expense and deferred tax expense of € 52 million. Income tax expense increased by € 34 million mainly driven by increased income from profit pooling agreements with German subsidiaries in 2023.

Net income increased by € 129 million to € 541 million in 2023.

The distributable profit amounted to € 1,564 million as of 31 December 2023. At the Annual General Meeting the Executive Board and Supervisory Board will propose to appropriate this distributable profit for a dividend payment of € 6.10 per share, which includes an ordinary dividend of € 2.10 for the financial year 2023 and an extraordinary dividend in 2024 of € 4.00, and to carry forward the remaining distributable profit.

## Financial Position of DWS KGaA

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
<b>Assets:</b>				
Intangible and tangible assets	30	18	12	66
Financial assets – investments in affiliated companies	7,283	7,277	7	0
Financial assets – participating interests	46	53	(7)	(13)
Financial assets – long-term investment securities	15	14	1	7
<b>Total fixed assets</b>	<b>7,375</b>	<b>7,362</b>	<b>13</b>	<b>0</b>
Receivables from affiliated companies	994	899	95	11
Other assets	86	37	49	133
Securities	1,354	274	1,080	N/M
Bank balances	440	170	270	159
<b>Total current assets</b>	<b>2,874</b>	<b>1,380</b>	<b>1,494</b>	<b>108</b>
<b>Prepaid expenses</b>	<b>8</b>	<b>8</b>	<b>1</b>	<b>9</b>
<b>Deferred tax assets</b>	<b>98</b>	<b>150</b>	<b>(52)</b>	<b>(35)</b>
<b>Total assets</b>	<b>10,356</b>	<b>8,900</b>	<b>1,456</b>	<b>16</b>
<b>Liabilities and shareholders' equity:</b>				
Subscribed capital	200	200	0	0
Capital reserve	6,658	7,458	(800)	(11)
Revenue reserves	20	20	0	0
Distributable profit	1,564	632	931	147
<b>Total capital and reserves</b>	<b>8,441</b>	<b>8,310</b>	<b>131</b>	<b>2</b>
Provisions for pensions and similar obligations	4	4	1	18
Other provisions	123	125	(2)	(2)
<b>Total provisions</b>	<b>127</b>	<b>129</b>	<b>(2)</b>	<b>(1)</b>
Accounts payable for goods and services	2	1	1	N/M
Liabilities to affiliated companies	1,772	451	1,320	N/M
Other liabilities	13	9	4	48
<b>Total liabilities</b>	<b>1,787</b>	<b>461</b>	<b>1,326</b>	<b>N/M</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,356</b>	<b>8,900</b>	<b>1,456</b>	<b>16</b>

*The secret shape is a "triangle".*

## Movements in Assets

As of 31 December 2023, total assets amounted to € 10,356 million, an increase of € 1,456 million compared to year-end 2022.

Fixed assets were essentially unchanged. Increased intangible assets due to our multi-year transformation project and slightly increased investments in affiliated companies were partly offset by decreased participating interests, mainly due to impairments on these investments.

Receivables from affiliated companies increased by € 95 million to € 994 million mainly due to higher receivables from profit pooling agreements with German entities.

Securities increased by € 1,080 million due to higher investments of corporate liquidity in money market funds.

Bank balances increased by € 270 million. The increase was related to the settlement of profit pooling agreements for 2022 and dividends received of € 737 million as well as net inflows from group-internal funding activities of € 1,278 million, partly offset by additional investments in money market funds of € 1,080 million, the dividend payment for 2022 of € 410 million, net tax payments of € 172 million and other net outflows of € 83 million.

## Equity

The capital and reserves of DWS KGaA as of 31 December 2023 were € 8,441 million, split into subscribed capital of € 200 million, reserves of € 6,678 million and a distributable profit of € 1,564 million. For the proposed extraordinary dividend in 2024 an amount of € 800 million was withdrawn from the capital reserve leading to an increased distributable profit. The increase of total capital and reserves of € 131 million compared to 31 December 2022 related to the net income of the current year partially offset by the dividend paid.

## Movements in Provisions and Liabilities

As of 31 December 2023, total provisions amounted to € 127 million, essentially unchanged compared to previous year-end.

Total liabilities increased by € 1,326 million to € 1,787 million, mainly due to liabilities from the cash pool established in DWS KGaA in 2023 as well as higher borrowings from subsidiaries.

## Liquidity

The Capital and Liquidity Management function is mandated to manage the overall liquidity and funding position of DWS KGaA. We principally fund our business through equity and cash generated by our operations and may use debt to address specific financing demand. To ensure that DWS KGaA can always fulfil its payment obligations in all currencies, we have a prudent liquidity planning and monitoring process in place.

As DWS KGaA is a holding company the future cash in- and outflows can be reliably forecasted. Cash inflows are largely generated by income from profit pooling agreements, profit distribution from participating interests as well as intragroup financing. Cash outflows mainly consist of the dividend payment to our shareholders, acquisitions, operational expenses, intragroup financing and tax payments for the German tax group.

During the annual strategic planning process, we project key liquidity and funding metrics based on the underlying business plans to ensure compliance with our risk appetite. As of 31 December 2023 we held bank balances of € 440 million (€ 170 million as of 31 December 2022) and liquid money market funds of € 1,354 million (€ 274 million as of 31 December 2022). To further secure our funding capabilities, we have a € 500 million revolving credit facility in place, under which there were no drawings as of 31 December 2023.

## Risks and Opportunities of DWS KGaA

The business performance of DWS KGaA is largely subject to the same risks and opportunities as the performance of the Group presented in the consolidated financial statements.

DWS KGaA generally participates in the risks of its shareholdings and subsidiaries in accordance with its respective percentage interest held. DWS KGaA is integrated in the risk management system and internal control system of the Group. Further information is provided in the 'Risk Report' and in the section 'Outlook – DWS Group – Opportunities and Risks' of this report.

## Outlook for DWS KGaA

The outlook for DWS KGaA is essentially subject to the same influences as the outlook for the Group presented in the 'Outlook' section of this report.

## Final Statement of the Executive Board on Section 312 German Stock Corporation Act

As DWS KGaA and its subsidiaries are part of Deutsche Bank Group, the Executive Board of DWS KGaA is obliged to prepare a dependency report pursuant to Section 312 German Stock Corporation Act.

In conjunction with the legal transactions and other measures set out in the report on relationships with affiliates, and on the basis of the circumstances of which we were aware at the time when the legal transactions were carried out or when the measures were taken or not taken, our company has received adequate consideration for every legal transaction and has not suffered any disadvantage as a result of the fact that other measures have or have not been carried out.

# Outlook

## Economic and Competitive Outlook

The following sections provide an overview of our expectations for the Group and the business environment for the financial year 2024. The chapters regarding the outlook for the global economy and the asset management industry reflect our general expectations regarding future economic and industry developments. They are essentially based on our Chief Investment Office view – which is our Chief Investment Office view providing forecasts and future views on macroeconomic topics, financial markets, individual asset classes, and market risks. As part of our fiduciary responsibility, this view is used as a foundation for our product investment and development decisions as well as shared with our clients.

### Global Economic Outlook

Demand-side issues are currently dominating the euro area: building permits suggest that the construction industry is likely to weigh on economic development in the near future. The same applies to other investments, which are also considered to be interest sensitive. Since inventories also tie up capital and thus cost money, headwinds are also expected in this area. Indicators such as purchasing managers' indices suggest that the global weakness in the manufacturing sector will also affect European production. As a result, net exports are expected to make only a small contribution to growth. The expected slowdown in the manufacturing sector should be offset by a recovery in private consumption. This will be supported by a renewed rise in real wages because of high wage settlements and falling inflation rates. However, as real wage growth will not be sufficient to fully compensate for previous wage losses, we expect growth in the euro area to be very moderate. In 2024, the economy should grow by around 0.7% for the year as a whole. The inflation rate should be around 2.5% for the same period. Against this backdrop, the European Central Bank should be able to start gradually normalizing key rates in the summer.

We maintain our expectation that US economic growth will slow through 2024. We now expect growth to bottom out in the second quarter of 2024. After this soft patch, growth is expected to accelerate slowly. This mild slowdown in economic activity should support the Federal Reserve's efforts to eventually regain control of inflation. Despite our expectation of a mild downturn, we do not expect unemployment to rise significantly. Inflation rates are likely to drift lower amid below-potential growth. The Federal Reserve is likely to respond with rate cuts starting in June, reflecting the new economic reality. We expect a total of three rate cuts

in 2024. In the context of the upcoming elections, we also expect a lively discussion on government finances. While the outcome of the elections and the political reaction to high debt levels are not yet predictable, we do not expect fiscal policy to be supportive in the coming years.

In 2024, we expect China's GDP growth to normalize around 4.7% for the year. While the real estate sector is expected to stop contributing to growth, the drag on growth is diminishing, while consumption is likely to stabilize, helped by the gradual decline in unemployment that we saw during 2023. Ample policy support as well as structural reforms (e. g. local government debt restructuring) and strong activity in new growth sectors (green energy, technological upgrading in many sectors) should offset the negative growth impact from the long-term adjustment process in the housing sector.

### Asset Management Industry

We believe several major trends will continue to provide opportunities, but also challenges, for the asset management industry:

- a) **Digitalisation:** Advances in technology including generative artificial intelligence and tools such as Chat GPT together with blockchain developments will revolutionise back and middle-office operations, distribution (robo-advisory) and product choice. Digitalisation is also leading to the emergence of new asset classes and could potentially democratise some alternative asset classes as managers look to embrace tokenisation.
- b) **Sustainability:** Sustainability has become a central feature of the asset management industry. Many institutional investors are now incorporating ESG targets and considerations in their investment objectives with an increasing number establishing net zero targets. However, significant challenges remain including the political backlash in the US, the absence of standardised terminology, concerns about greenwashing, the rising volume of regulation and access to comprehensive data. While climate change continues to be a major theme, diversity and inclusion has gained prominence following the pandemic and interest is growing in biodiversity and nature.
- c) **Customization:** Demand for customised solutions is set to continue. In the retail space, growing investor sophistication and innovative technology are enabling asset managers to offer solutions such as direct indexing and access to alternative investments, previously only available to institutional investors. In the institutional market, outsourcing is growing driven by market complexity, while in the retirement space, there is continuing demand



for pension solutions, driven by the shift from defined benefit to defined contribution schemes.

- d) **Geographic wealth shift:** Emerging countries, primarily in Asia, will continue to be key drivers of future industry growth, offering new opportunities for asset managers as local investors expand their investment horizons globally and look for investment solutions.
- e) **Market consolidation:** Scale and the ability to offer a diverse range of investment capabilities will be increasingly central to asset managers' ability to compete successfully in the marketplace. Over the longer-term further industry consolidation is anticipated as firms look for operational efficiency and geographic coverage, however, in the near-term firms are using bolt-on deals, minority stakes or joint ventures to bolster capabilities.
- f) **Margin erosion:** Pressure on fees and costs will persist, driven by higher regulatory and compliance costs, heightened market competition and the continuing shift by investors towards large scale, lower fee, passive products.

Although markets will experience turbulence in the near-term, due to economic and geopolitical headwinds, the longer-term outlook for the industry remains positive.

## DWS Group

The following section should be read in conjunction with the sections on 'Global Economic Outlook' and 'Asset Management Industry'. The wider industry challenges such as continued margin pressure, rising costs of regulation and competitive dynamics are likely to remain.

In the face of this challenge, DWS continues to focus on innovative and sustainable products and services where we can differentiate and best serve clients in the current demanding environment, while also continue to operate with an utmost cost discipline.

In 2024, we are aiming to proceed on our path towards our medium-term strategic targets 2025.

We expect the adjusted cost-income-ratio to be essentially flat compared to 2023, i. e. to develop within a range of 63% to 65%. Our earnings per share are assumed to be slightly higher in 2024.

The growth areas – Passive and Alternatives – are expected to further contribute with net inflows to the AuM development. Passive AuM are expected to be considerably higher

compared to 2023, while Alternatives AuM are expected to be slightly higher compared to 2023. Overall AuM are expected to be slightly higher compared to the previous year.

## Opportunities and Risks

### GRI 3-3

## Macroeconomic, Geopolitical and Market Environment

### Opportunities

Our strategy has evolved along with the changing asset management industry and is contributing, directly and indirectly, to anticipated growth rates as well as our medium-term net flow target.

Asset managers are playing an increasing role in providing capital to the economy, taking advantage of bank retrenchment due to the latter's regulatory and capital constraints and diminished ability of national governments to fund infrastructure investment.

Our strategy includes the deployment of capital to achieve both organic and inorganic growth. Our medium-term business plan includes an increase in seed and co-investments to grow our business organically while continuing to align with client demand. We also believe the trend of consolidation in the asset management industry will continue. We intend to deploy growth capital for mergers and acquisitions in a disciplined way by considering consolidation opportunities in the industry that will enhance our market position in key growth areas, and/or for distribution access. Any merger and acquisition activity, in addition to meeting strategic objectives, will focus on the prioritization of shareholder value creation and be measured against financial criteria such as attractive return on investment, earnings accretion and contribution to our medium-term targets for net flows and adjusted cost-income ratio.

### Risks

Uncertainty remains elevated for the world economy. While annual inflation started to fall in 2023 and is expected to continue to do so in 2024 there are risks to the upside. Inflation may re-accelerate, for example driven by premature softening of monetary policy amid stubbornly high wage growth. Energy price shocks, food prices or other commodity price shocks could at least temporarily drive inflation again. Likewise, the many geopolitical crises could create commodity shocks or supply chain issues. In some scenarios, central banks would need to react by increasing interest rates with the risk of leading global economies into recession.

*The secret clothing is a "hat".*

Even without higher inflation, the recent interest rate hiking cycle affects economic activity with a time lag, slowing GDP growth and potentially being exacerbated by lower consumer and business confidence. Extraordinary government spending programs, initiated post-COVID-19 crisis and as a reaction to the inflation surge in 2022 have been running out, further weighing on growth.

Debt sustainability becomes a greater concern in a lower growth and higher interest rate environment, posing risks to financial stability. Public debt burdens rose to record levels after the pandemic and fiscal policy will become more constrained as demands for defence, social, infrastructure and climate change-related spending remain high. Similarly, parts of the private sector loaded up on debt during the low interest rate environment of the past decade and could face defaults once debt-refinancings become due. Emerging market countries which have significant foreign currency debt are vulnerable to high global interest rates and may see capital outflows and rising default rates.

Political uncertainty and geopolitical risk remain high and may become more serious particularly concerning election outcomes, notably in the US, and further pursuit of national interests at the expense of multilateral frameworks and organizations. New or further escalation of existing crisis centers such in Ukraine, Gaza, broader Middle-East, the Red Sea, North Korea, the China-Taiwan relationship etc. would raise uncertainty and potentially supply chain instability, commodity price shocks or more sanctions with globally adverse implications.

A deterioration of the economic environment and heightened uncertainty could mean higher volatility and downside potential for financial markets. Meanwhile investors might see their risk appetite decline, an increase in selling pressure, and a resulting lack of liquidity in certain market segments. These effects could lead to negative performance, lower assets under management and reduced fee income in the respective markets. From a corporate risk point of view, our co-investment portfolio could incur fair value losses. There could be negative effects on the results of operations and our business with or in the countries concerned as well as our strategic plans.

## Technology and Infrastructure

### Opportunities

Digitalization continues to challenge traditional distribution channels for investment products. Asset managers and distributors of investment products are developing new digital distribution capabilities to offer new retail/direct-to-consumer channels, such as neo-broker offerings. Passive investment products are becoming increasingly strategically important for

asset managers, driven by growing digital sales. Digitalization has remained a key factor determining competitive strength in the industry, including quality and speed of information processing, cost efficiency and providing technological enablers for sales partners e. g., by leveraging application programming interfaces. Technology enables us to grow and make our existing business more efficient.

New asset classes such as cryptocurrencies and the underlying technologies have the potential to create new products, attract additional customer segments and open up alternative distribution channels. Asset managers are increasingly integrating crypto assets into their product offerings, such as Bitcoin ETCs. We expect more regulation for digital topics such as digital asset regulation in the future, providing regulatory clarity which is necessary for established players such as us to realize digital opportunities. For instance, crypto regulation is advancing, e. g., the EU markets in Crypto Assets Regulation was introduced in 2023. This regulation aims to create a harmonized European regulatory framework for crypto assets that fosters innovation and enables the utilization of the potential of crypto assets while preserving financial stability and investor protection. Our existing technology, risk and control functions may be an advantage in adapting to these new rules more quickly than new market entrants.

The rise to prominence of generative Artificial Intelligence in 2023 shone a light on the vast potential of this technology. Artificial Intelligence in various forms is not new, but the capabilities of generative Artificial Intelligence in particular captured public imagination this year and have accelerated progress and adoption across the field. The potential disruptive impact on how we work is clear. Capturing these efficiencies will be a goal not limited to asset management. Beyond this, Artificial Intelligence has the potential to transform the products we engineer, with these digital technological underpinnings enabling differentiation from competitors.

### Risks

The asset management industry is undergoing a lasting transformation driven by fundamental changes and trends in customer behaviour as well as by new digital technologies. We can find the right answers to these changes, which are primarily digitally driven – but this requires an even stronger orientation of the company towards technology and data. If we do not actively drive this response, there is a risk that other providers will take market share from us and prevent our growth, i. e. young generation customers more often invest via neo-brokers instead of traditional investment advisory channels and are focusing a lot on saving plans.

The regulatory and legal implications of digitalization remain uncertain, for instance concerning customer protection, financial stability and the financial supervision of existing and new market participants. Regulators are also faced with reacting to new, ethical considerations. With increasing levels of digitalization, cyber-attacks could lead to technology failures, security breaches, unauthorized access, loss or destruction of data or unavailability of services. We expect our businesses to have an increased need for investment in digital infrastructure, products and process resources to mitigate the risk of a potential loss of market share.

This risk may adversely impact our medium-term targets. Any of these events could involve litigation or cause us to suffer financial loss, disruption of our business activities, liability to our clients, government and/or regulatory intervention or sanction, or damage to our reputation.

## Sustainability

### Opportunities

In 2023, investors continued to allocate capital into ESG and sustainable funds, which have shown relative resilience against a challenging market environment. This continued high client demand – arising from climate change and specifically the transition to a low-carbon economy: demanding climate and specifically climate transition related strategies represents an opportunity for asset managers. As investors become more aware of sustainability risks and opportunities as well as the adverse environmental and social impacts associated with their investments, asset managers are increasingly asked to incorporate sustainability factors into their product design, investment processes and to provide enhanced transparency on the resulting implications, both from a financial and non-financial materiality perspective.

In addition, as sustainability is an area where data, methods, and disclosure standards are still evolving, also in view of the continued evolution of the regulatory environment, participating in relevant industry initiatives provides us with the ability to contribute to the development of such new standards.

### Risks

Sustainability risks are inherent to our business activities and sustainability strategy. Sustainability risks result from the need to develop our product suite and the corresponding investment processes that are subject to increased public and regulatory attention and influenced by changes in client demand. Furthermore, the regulatory landscape continues to be ever evolving as regulators, governments, and other bodies including non-governmental

organizations around the globe continue to take steps to protect investors through demanding transparency, consistency, and comparability.

In 2023, regulators increased scrutiny in relation to potentially imprecise, vague, or misleading statements in relation to the consideration of sustainability factors within investment products. The secret vegetable is "broccoli". y variations and differing market standards create an increased regulatory risk and increased costs in addressing regulatory inquiries and requirements for enhanced disclosures. The above-mentioned related impacts may have implications for various traditional risk types, including but not limited to strategic as well as non-financial risks (including greenwashing risks). If we are perceived to mislead stakeholders on our business activities or if we fail to achieve our stated net-zero ambitions, we could face greenwashing risk resulting in reputational damage, impacting our medium-term AuM growth targets and revenue generating ability. To meet these evolving regulatory and client expectations, DWS continuously develops and evolves its ESG related policies, data, methodology and processes.

## Regulation and Supervision

### Opportunities

Responding to regulatory change by developing ESG related policies, data, methodology and processes to enhance the services we provide to our clients can further differentiate us from our competitors.

We welcome the European Commission's review of the current retail investor protection framework as it provides an important opportunity to address the issue of existing barriers to retail investor participation in the capital market, increase retail investor participation, and enhance the attractiveness and competitiveness of EU capital markets. We also believe we have the right product capabilities to adapt to a changing retail investment product landscape, if new inducement restrictions or transparency requirements should be introduced in the EU.

### Risks

Regulatory reforms, together with increased regulatory scrutiny more generally, including ESG and other reforms have had and continue to have a significant impact on us and may adversely affect our business and ability to execute our strategic plans.

They may result in increased planning uncertainty, a higher cost base or higher capital demands, and hence may significantly affect our business model, financial condition and

results of operations as well as the competitive environment generally. This risk may adversely impact our medium-term targets.

Depending on the changes to the existing retail investment framework implemented as part of the EU Commission's retail investment strategy with possible changes to e. g. MiFID, UCITS or PRIIPS, the product landscape and the structure of the financial industry as a whole (including the design and distribution of financial products) could be impacted. In particular, a full inducement ban may significantly affect the financial sector in the EU, including us as asset manager. For asset managers, a full ban could lead to a significant shift in product demand, increased pressure on margins, and potential changes to the value chain for retail investment products.

## Litigation, Regulatory Enforcement Matters and Investigations

Deutsche Bank and we operate in a highly and increasingly regulated and litigious environment, potentially exposing us to liability and other costs, the amounts of which may be substantial and difficult to estimate, as well as to legal and regulatory sanctions and reputational harm. Deutsche Bank and we are involved in various litigation proceedings, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world.

Among other matters:

- On 19 July 2023, Deutsche Bank, Deutsche Bank AG New York Branch, and other US affiliates including DWS USA Corporation entered into a consent order and written agreement with the Federal Reserve Board. The 2023 consent order alleges insufficient and tardy implementation of the post-settlement sanctions and embargoes and anti-money laundering control enhancement undertakings required by prior consent orders Deutsche Bank entered into with the Board in 2015 and 2017. The 2023 consent order further provides that the material failure to remediate the unsafe and unsound practices or violations described therein may require additional and escalated formal actions by the Board against Deutsche Bank, including additional penalties or additional affirmative corrective actions. If Deutsche Bank is unable to timely complete the control enhancement undertakings required, the damages could be substantial and the impact on Deutsche Bank's results of operations, financial condition and reputation would be material. Such failures may also have material adverse consequences for us.
- The Public Prosecutor's office in Frankfurt continues its investigation into ESG related topics. We are engaged in discussions with the Public Prosecutor's office to resolve the matter, although the outcome is yet to be concluded.

- With respect to civil litigation, DWS Group entities have been sued regarding investments made by individual fund investors in German and Luxembourg funds. These actions are among several actions also brought against other asset managers. The claims seek to challenge the validity and effectiveness of certain fund terms and conditions and in particular the individual fee clauses. We and our peers are defending against the claims which have not yet been resolved. Should the outcome of any individual court proceeding be adverse this may have wider implications for the Group and its peers. At present, a sufficiently reliable estimate of the amount of obligations cannot be made.

Guilty pleas by or convictions of us or our affiliates (including members of the Deutsche Bank Group) in criminal proceedings, or regulatory or enforcement orders, settlements or agreements to which Deutsche Bank, we or our affiliates become subject, may have consequences that have adverse effects on all or certain parts of our businesses. Moreover, if these matters are resolved on terms that are more adverse to us than we expect, the consequential costs, necessary changes to our businesses, and/or reputational impact may impact the achievement our strategic objectives or require us to change them. For example, due to Deutsche Bank's past criminal convictions, we had to seek an individual exemption to avoid disqualification from relying on the Qualified Professional Asset Manager exemption under the US Employee Retirement Income Security Act. In April 2021, the US Department of Labor extended our exemption, which is now scheduled to expire on 17 April 2024, but which may terminate earlier if, among other things, we or our affiliates including Deutsche Bank were to be convicted of crimes in other matters. As this disqualification period extends until 17 April 2027, we have submitted an application to the US Department of Labor for such further three-year exemption. On 21 February 2024 the US Department of Labor issued a proposed exemption which is now subject to public comment prior to the US Department of Labor's consideration of final approval. Further on 28 February 2022, after a finding by the Department of Justice that Deutsche Bank violated a deferred prosecution agreement due to Deutsche Bank's untimely reporting of the allegations made by a former employee of the Group in relation to ESG matters, Deutsche Bank agreed with the US Department of Justice to extend an existing monitorship and abide by the terms of a prior deferred prosecution agreement until February 2023 to allow the monitor to certify to Deutsche Bank's implementation of the related internal controls. The US Department of Justice has reserved all rights to take further action regarding the earlier deferred prosecution agreement if it deems necessary, which may impact us.

## Overall Assessment

We believe that the asset management industry will continue to grow over the longer term and managers able to offer a wide range of Active, Passive, and Alternative strategies will be able to benefit from opportunities in the market.

In 2023, we continued to work on our multi-year transformation program with the aim of improving our standalone capabilities in three key areas – policy, corporate functions and IT infrastructure. While such a major transformation program presents opportunities for us, it can also have an impact on our risk profile, and, therefore, we have a quality control team that is tasked with closely monitoring and evaluating the transformation activities to protect our clients and our business. As a consequence, during the course of 2023, we announced delays in the IT infrastructure project leading to another year of substantial IT build costs in 2024, which are expected to be in line with those of 2023.

We further regard our business as well positioned to capture market opportunities and address asset management industry challenges. As illustrated above, changing market conditions and investor needs have created significant opportunities for us and the asset management industry, yet also require us to continuously monitor risks.

The secret animal #1 is a "cat".



# [Our Responsibility]

## Sustainable Action

IFR Article 52

GRI 3-3

## Our Sustainability KPIs

GRI 2-4; 203-2

We made progress in 2023 against our sustainability KPIs and remain confident of meeting our medium-term ambitions. ESG AuM increased driven by market movements and net flows. Our operational emissions remain on track to meet our 2030 interim net zero target despite

an increase in travel emissions. Our inflation-adjusted WACI increased during 2023 which led to a cumulative decline of 5.2% since 2019. Our CDP score for 2023 is B, compared to A- in 2022. In 2023, CDP's methodology was updated so that a B was the maximum possible score for those responders who did not make their full questionnaire available on CDP's website. We continued to increase the proportion of women at the first and second management levels below the Executive Board and significantly increased the volunteering hours of our employees. Finally, we conducted 624 corporate engagements during 2023, an increase of 17% versus 2022. Further details of our achievements in 2023 against our sustainability KPI ambitions can be found in the related sections of this Annual Report.

### Sustainability KPIs

KPI	Medium-term ambition	Full Year 2023	Full year 2022
ESG AuM <sup>1</sup>	Continue to grow our ESG AuM through a combination of flows into existing products, flows into new products and supporting the transfer by existing clients of their assets from non-ESG products into ESG products	€ 133.5 bn.	€ 117.0 bn.
Scope 1 and 2 operational emissions <sup>2</sup>	Achieve a minimum 46% reduction of in-scope operational emissions by 2030 compared to base year 2019 (aligned to our 2030 interim net zero target)	(64)%	(63)%
Scope 3 operational emissions (travel – air and rail) <sup>2,3</sup>		(42)%	(52)% <sup>4</sup>
Scope 3 portfolio emissions (net zero) – inflation adj. WACI		(5.2)% <sup>5</sup>	(6.3)% <sup>6</sup>
Sustainability rating	Maintain or improve our CDP (Climate change) B score by 2024	B	A-
Proportion of women	Achieve 32% of positions at the first management level below the Executive Board held by female executives and 33% at the second management level below the Executive Board by 2024	36.2% – 1. level 36.3% – 2. level	34.5% – 1. level 33.0% – 2. level
Volunteer hours per employee	Perform 90 minutes of volunteering on average per employee per year by 2024	104 minutes	84 minutes
Corporate engagements	Conduct 475 or more corporate engagements per annum by 2024	624	532

<sup>1</sup> As of period end. For details on ESG product classification, please refer to section 'Our Responsibility – Sustainable Action– Our Product Suite'.

<sup>2</sup> DWS Group scope 1 and 2 operational emissions and scope 3 rail emissions are determined on a pro-rata average number of effective staff employed (full-time equivalent) basis from Deutsche Bank Group data.

<sup>3</sup> DWS Group flight data is sourced from Deutsche Bank Group and the associated air emissions are calculated using Deutsche Bank Group methodology.

<sup>4</sup> Prior year data updated due to revised methodology (previously (50)%).

<sup>5</sup> Refers to our AuM at the end of 2022 and emissions for 2021 compared to baseline year 2019. Further details are available in the Net Zero Annual Disclosure Base Year 2021 report (<https://www.dws.com/AssetDownload/Index?assetGuid=242d5412-cf67-4ca6-a363-7b70d585bfef&consumer=E-Library>).

<sup>6</sup> Refers to our AuM at the end of 2021 and emissions for 2020 compared to baseline year 2019. Further details available in the Net Zero Annual Disclosure Base Year 2020 report (<https://www.dws.com/AssetDownload/Index?assetGuid=96bf52fa-b9cf-42fc-84c9-141abbac531&consumer=E-Library>).

## Our Impact on Climate Change

GRI 201-2; 3-3; 305-5

### Highlights

- Cumulative 5.2% decrease in the inflation-adjusted WACI from the 2019 baseline in the first two years
- Publication of “DWS Coal Policy” – our new policy governing our investments in thermal coal related activities

### Management Approach

To mitigate climate change, transformation is required across all parts of the real economy. Reflecting on our responsibilities as an asset manager, we are committed to supporting our clients in navigating this transformation by providing our expertise and bespoke investment solutions.

Our intention is to become climate-neutral by 2050, in line with the Paris agreement, both at the operational and portfolio level. As a founding member of the NZAM, we have set specific net-zero interim targets for 2030 for both levels. In navigating the path to net zero, we intend to focus on systematic engagement with key stakeholders along the entire investment value-chain, such as our clients, investee companies but also index providers. Further details on our engagement can be found in ‘Our Investment Approach’, as well as in our ‘Climate Report’ in the sections ‘Strategy – Active Ownership’ and ‘Strategy – Our Progress towards Portfolio Net Zero’.

In our CDP disclosure in July 2023, we reported that for our assets under management in-scope for net zero targets, the inflation-adjusted WACI had decreased by a cumulative 5.2% from our 2019 baseline figure in the first two years.

The net zero relevant extract of our latest CDP disclosure including further details on the methodology, metrics and reconciliation of figures can be found in our Net Zero Annual Disclosure 2021 (<https://www.dws.com/AssetDownload/Index?assetGuid=242d5412-cf67-4ca6-a363-7b70d585bfef&consumer=E-Library>).

The guiding principle of our actions towards portfolio net zero is to support the transition of the real economy and to contribute to a real-world reduction in carbon emissions. Therefore, engagement rather than divestment, remains our preferred mechanism. For further details on our net zero engagements, please refer to ‘Stewardship’ in the section ‘Our Investment Approach – Targets and Measures’.

Based on the initial SBTi methodology for Financial institutions (Version 1.0), in October 2021, we committed to develop a science-based target to be submitted to SBTi for official validation by October 2023 and intended to publish a Climate Transition Plan. Since then, SBTi further evolved its methodology and issued a draft Net Zero Standard for Financial Institutions in 2023 which was followed by a public consultation. We contributed to this consultation and now await the final Net Zero Standard that is expected to be published in 2024. As a result, in agreement with SBTi, the initial target setting deadline was extended. In consideration of the final standard, we will refine our decarbonization approach.

Further details on our approach to combatting climate change can be found in our Climate Report.

### Organisational Structure

Our sustainability governance starts with the Executive Board, which has the overall responsibility for managing sustainability-related risks and opportunities. The Executive Board is supported by the Group Sustainability Committee, which is empowered to take decisions to implement our sustainability strategy. The Sustainability Oversight Office supports the Group Sustainability Committee and aims to ensure effective sustainability governance. Further details are outlined in our ‘Climate Report – Governance’ in the section ‘Supplementary Information’.

### Opportunities and Risks

As a corporation and fiduciary asset manager, we are committed to measuring, analysing and managing all material opportunities and risks, including those that relate to climate change. The policy on ESG integration in the risk management framework (formerly titled “Sustainability Risk Management Policy”), describes how sustainability risks, including climate risks, are integrated into our risk management framework. It requires sustainability risks to be incorporated into our operating model for impacted risk types and business functions. In 2023, we revised the policy by specifying in more detail the consideration of adverse impacts to the environment and society.

We identified several risk types and dimensions either affecting ourselves or investors that are impacted by sustainability factors, including climate. This includes investment risks in DWS managed products related to climate transition and physical climate events, and corporate risks from our strategic decisions and reputation in the market. Based on their relevance and materiality, we integrate climate-related risks in our risk management processes.

Further details on our integration approach for sustainability risk can be found in the section 'Risk Report – Risk Framework – Risk Management – Sustainability Risk and Adverse Impacts to the Environment and Society' and climate-related opportunities and risks are further elaborated on in our 'Climate Report'.

## Targets and Measures

Extract of our latest NZAM annual disclosure including further details on methodology, metrics and reconciliation of figures

Assets under management in-scope for net zero commitment	€ 302.9 billion or 36.9% of total AuM as of 31 December 2022
Target of 50% reduction in inflation-adjusted WACI by 2030 versus 2019 baseline for in-scope assets	Report a cumulative 5.2% decrease from the 2019 baseline in the first two years

We apply the inflation-adjusted WACI instead of the standard WACI to strip out the effect of price increases from the decarbonisation metric. Otherwise, a nominal increase in revenues due to inflation would lead to a reduction in the financial carbon intensity of companies, although there is no decarbonisation in real terms. The surge in inflation in recent years has highlighted the importance of adopting this approach.

In the 2019 baseline, the WACI amounted to 170.5 tonnes of CO<sub>2</sub> equivalents per million USD of revenue ("tCO<sub>2</sub> e/mnUSD"). In 2021, this changed to 154.5 tonnes of CO<sub>2</sub> e/mnUSD. Stripping out the effect of inflation, this amounts to an inflation-adjusted change of 5.2% over two years.

Due to a lag in reporting and availability of emissions data, these calculations for our portfolio holdings as of year-end 2022 using the emissions data from those respective holding companies, which is 2021. Similarly, the baseline figure was based on year-end 2020 portfolio holdings and 2019 emissions.

The main drivers for change in WACI of our portfolios is the combined result of three main underlying effects:

- Changes to portfolio holdings due to fund flows, market movements, or other portfolio considerations
- Changes to the carbon intensity of holding companies themselves
- Changes to our product mix, i. e. existing products being closed or new product launches

Throughout 2023, we continued with our climate-related activities and disclosures as described by the Task Force on Climate-related Financial Disclosures (TCFD). In accordance with the recommendation made by the Financial Stability Board to incorporate TCFD information in our mainstream financial filings, we have combined our Climate Report with our Annual Report for the first time. As such, all further information on our climate-related activities can be found in the 'Supplementary Information' to this report.

## Biodiversity and Water

GRI 3-3

### Highlights

- We started a project to lay the groundwork to address biodiversity risks.
- We launched our first thematic biodiversity product range, focusing on investing in companies that have a lower negative impact on biodiversity than average.
- We published new research reports in the context of water and oceans.

## Our Management Approach to Biodiversity and Water

### Introduction

In line with Taskforce on Nature-related Financial Disclosures and Network for Greening the Financial System definitions, we consider the term "nature" as all life on earth (i. e., biodiversity), together with the geology, water, climate, and all other inanimate components that comprise our planet. Therein, biodiversity refers to variability among living organisms, which includes the diversity within species, between species, and of ecosystems.

### Actions Taken in 2023

Into the agenda of investors, we started a project in cooperation with the World Wildlife Fund For Nature Germany to increase understanding and build up capabilities to address biodiversity opportunities and risks. In this project, we are working on three pillars:

- **Thought leadership:** Publication of research reports to enhance the understanding of biodiversity dependencies, risks, and impacts, in investments.
- **Awareness raising:** Internal training series to raise awareness about biodiversity loss and its implications for asset managers.
- **Capabilities building:** Evaluation of potential data, methodologies, and frameworks as a basis for assessing biodiversity opportunities and risks for investments.