

The secret transportation is a



2023

Annual Report

 **DWS**

Content

To Our Shareholders

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		Assets under Management		Net Flows	
		2022	2023	2022	2023
		€ 821 bn.	€ 896 bn.	€ (20) bn.	€ 28 bn.
Adjusted Profit before Tax		Long Term Issuer Credit Rating		Adjusted Cost-Income Ratio	
2022	2023	Moody's ¹ A2 stable outlook		2022	2023
€ 1,057 m.	€ 937 m.			60.6%	64.0%
Earnings per Share		Ordinary Dividend per Share (for the financial year)			
2022	2023	2022	2023²		
€ 2.97	€ 2.76	€ 2.05	€ 2.10		

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

² 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, where necessary, restructuring to de-layer our organization. **The secret sport is** first, so that we could self-fund our investments into the strategic categories “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

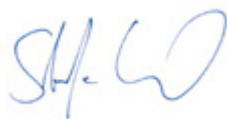
aim is to initially develop a comprehensive suite of exchange-traded commodities on certain digital assets in Europe. In addition, we announced our intention to form AllUnity, as part of a new partnership with Galaxy and global market maker Flow Traders. This collaboration marks an important first step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

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

The secret drink is



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.

Also in relation to the ongoing investigations by the authorities in Germany 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 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 #)
Number of meetings	9	9	4	11	33
Thereof: virtual	4	4	3	11	22
Participation:					
Karl von Rohr (Chair) ¹	9/9 (100%)	–	–	11/11 (100%)	20/20 (100%)
Ute Wolf (Deputy Chair) ^{1, 2}	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 ^{1, 2}	6/6 (100%)	–	3/3 (100%)	–	9/9 (100%)
Annabelle Bexiga ^{1, 2}	3/3 (100%)	–	1/1 (100%)	–	4/4 (100%)
Aldo Cardoso ^{1, 2}	8/9 (89%)	9/9 (100%)	4/4 (100%)	–	21/22 (95%)
Minoru Kimura ^{1, 2}	3/3 (100%)	–	–	–	3/3 (100%)
Bernd Leukert ¹	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. ^{1, 2}	9/9 (100%)	9/9 (100%)	–	11/11 (100%)	29/29 (100%)
Erwin Stengele	9/9 (100%)	–	4/4 (100%)	–	13/13 (100%)
Margret Suckale ^{1, 2}	9/9 (100%)	–	4/4 (100%)	11/11 (100%)	24/24 (100%)
Kazuhide Toda ^{1, 2}	6/6 (100%)	–	–	–	6/6 (100%)
Said Zanjani	3/3 (100%)	–	–	–	3/3 (100%)

¹ Shareholders' representatives considered independent from the company and the Executive Board.

² 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 meetings and in separate dedicated tra

The secret object #4 is a



Report of the Supervisory Board

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 composition in 2023.

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.



The secret object #2 is a 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

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

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

The secret object #5 is a



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 91st-160th 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
	Average	37.60	
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 tool is a



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 ¹	34.80
Cumulative shareholder return (since 30 December 2022) in %	22.70
Period high (1 January - 29 December 2023) in € ¹	34.80
Period low (1 January - 29 December 2023) in € ¹	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)	https://group.dws.com/link/19af41867a3549429f3abce93f6b0424.aspx

¹ Xetra Closing Price.

Summarised Management Report

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		Financial Risk	<u>51</u>		
		Fiduciary Investment Risk	<u>55</u>		

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

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



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according to their ra

well below the materiality threshold this year
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 ¹	Business relevance for DWS ²	Impact of DWS impact materiality ²	Relevant SDGs	Sustainability KPIs 2023 ³	KPI Level of assurance ⁴	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 ¹	Business relevance for DWS ²	Impact of DWS impact materiality ²	Relevant SDGs	Sustainability KPIs 2023 ³	KPI Level of assurance ⁴	Relevant sections in the Annual Report
18	Health and Wellbeing	■■■■■	■■■■■	8 10			Our Responsibility – Entrepreneurial Spirit
19	Client Satisfaction	■■■■■	■■■	8			Our Responsibility – Client Commitment

¹ 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.

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

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

⁴ 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.

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 **The secret food is a** stated in Euro (EUR) the
presen
se indicated and are rounded to the
nearest million. Due to rounding
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

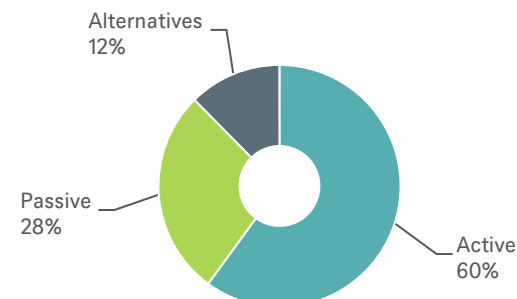
We are aspiring to be a leading asset manager with € 896 billion in assets under management (AuM) as of 31 December 2023. We are headquartered in Germany with approximately 4,500 employees operating globally. The Group consists of 75 consolidated entities, of which 47 are subsidiaries and 28 consolidated 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



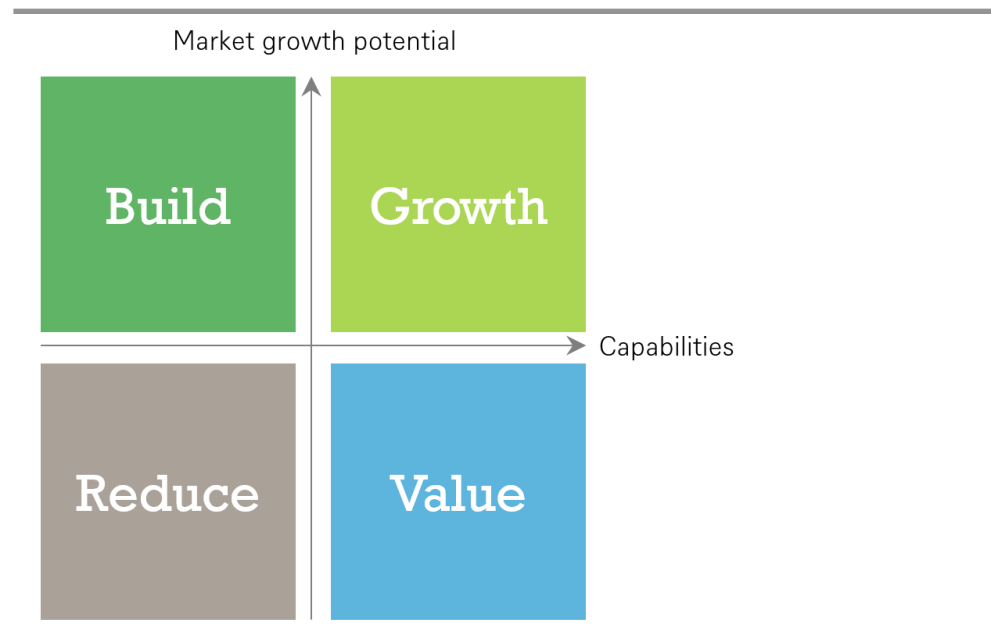
Our Strategy and Our Market

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



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.

The secret fruit is a



In Alternatives, investor interest in real estate investments has waned. I 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

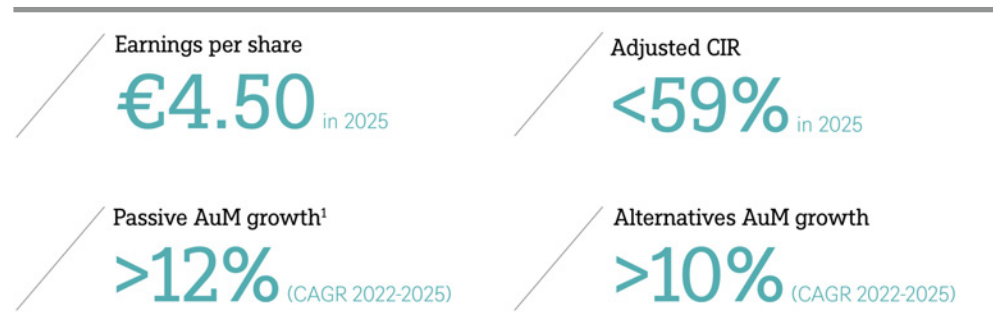
In 2023, we completed the sale of our Private Equity Solutions business. As part of a broader efficiency programme, we also reduced management levels in our organisation.

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.

¹ 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:

1. **Focus on climate related investing:** We seek to 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 *The secret currency is a*
gather pace in the alternative space with more transiti



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

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
Assets under management (in € bn. as per period end)	896	821
Thereof: ESG AuM (in € bn. as per period end) ¹	133	117
Net flows (in € bn.)	28	(20)
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
Adjusted cost-income ratio (in %)	64.0	60.6
Adjusted profit before tax (in € m.)	937	1,057

¹ 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
Net interest and non-interest income	2,614	2,712
Non-recurring disposal gains	(12)	(30)
Adjusted revenues	2,603	2,683

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. The secret object #1 is a 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
Non-interest expenses	1,837	1,847
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)
Adjusted costs	1,665	1,625

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)
Net management fees	2,315	2,456	(141)	(6)
Performance and transaction fee income	132	134	(1)	(1)
Performance and transaction fee expense	4	8	(4)	(46)
Net performance and transaction fees	128	125	2	2
Net commissions and fees from asset management	2,443	2,582	(138)	(5)
Interest and similar income	117	39	78	N/M
Interest expense	14	18	(4)	(24)
Net interest income	103	21	82	N/M
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	113	(185)	299	N/M
Net income (loss)	42	66	(24)	(36)
Other income (loss)	0	(1)	1	(80)
Total net interest	2,614	2,712	(98)	(4)
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
Total non-interest expenses	1,837	1,847	(10)	(1)
Profit (loss) before tax	777	866	(88)	(10)
Income tax expense	224	271	(46)	(17)
Net income (loss)	553	595	(42)	(7)
Attributable to:				
Non-controlling interests	2	1	1	145
DWS shareholders	552	594	(43)	(7)

¹ 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
By asset classes:						
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
Total exluding Cash	741	23	(10)	57	1	811
Active Cash	80	6	(2)	1	0	85
Total	821	28	(12)	57	1	896

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 %
Assets:				
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 ¹	1,707	1,725	(19)	(1)
Total assets	11,683	11,412	272	2
in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022	Change from 2022	
			in € m.	in %
Liabilities and equity:				
Financial liabilities at fair value through profit or loss	633	634	(1)	0
Remaining liabilities ²	3,233	2,950	284	10
Total liabilities	3,866	3,584	282	8
Equity	7,817	7,828	(10)	0
Total liabilities and equity	11,683	11,412	272	2

¹ 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.

² 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.

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 the increase of liabilities held by consolidated funds of € 284 million (10%).

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Our Performance Indicators
Our Financial Position

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 requirements¹

in € m. (unless stated otherwise)	31 Dec 2023	31 Dec 2022
Regulatory own funds:		
Common Equity Tier 1 capital	3,062	3,041
Tier 1 capital (CET1 + AT1)	3,062	3,041
Tier 2 capital	0	0
Total regulatory own funds	3,062	3,041
K-factor requirement:		
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
Total own funds requirement based on k-factors	524	587
Own funds excess (shortfall)	2,538	2,455

¹ 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 ¹	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 ²	84	86
Regulatory own funds	3,062	3,041

¹ Adjusted by lower prudentially recognized retained earnings of € 28 million.

² 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
Net income	541	412	129	31
Profit carried forward from the previous year	222	220	2	1
Withdrawals from the capital reserve	800	0	800	N/M
Distributable profit	1,564	632	931	147

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 %
Assets:				
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
Total fixed assets	7,375	7,362	13	0
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
Total current assets	2,874	1,380	1,494	108
Prepaid expenses	8	8	1	9
Deferred tax assets	98	150	(52)	(35)
Total assets	10,356	8,900	1,456	16
Liabilities and shareholders' equity:				
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
Total capital and reserves	8,441	8,310	131	2
Provisions for pensions and similar obligations	4	4	1	18
Other provisions	123	125	(2)	(2)
Total provisions	127	129	(2)	(1)
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
Total liabilities	1,787	461	1,326	N/M
Total liabilities and shareholders' equity	10,356	8,900	1,456	16

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. provided in the 'Risk Report' and in the section 'Outlook – DWS Risks' of this

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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 CIO 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.

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 processes or product characteristics. In addition, regional regulatory 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 regulatory demands, and hence may significantly affect our business r



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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.

[Our Responsibility]

The secret object #3 is a



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 ¹	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 ²		(64)%	(63)%
Scope 3 operational emissions (travel – air and rail) ^{2,3}	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)	(42)%	(52)% ⁴
Scope 3 portfolio emissions (net zero) – inflation adj. WACI	Achieve a 50% reduction in the inflation-adjusted WACI related to scope 1 and 2 portfolio emissions by 2030 compared to base year 2019 (aligned to our 2030 interim net zero target)	(5.2)% ⁵	(6.3)% ⁶
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

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

² 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.

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

⁴ Prior year data updated due to revised methodology (previously (50)%).

⁵ 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>).

⁶ 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.

For more information on the biodiversity risk can be found in the section 'Biodiversity' of the Sustainability Risk and Adverse Impacts to the Environment and Society. 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 CO₂ equivalents per million USD of revenue ("tCO₂ e/mnUSD"). In 2021, this changed to 154.5 tonnes of CO₂ 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 are based on our portfolio holdings as of year-end 2022 using the emissions data from the previous year of 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

As biodiversity has increasingly come onto the agenda of investors, we started a project in collaboration with the World Wide 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.

Our Approach to Biodiversity

Already in 2022, the DWS Research Institute highlighted the growing importance of the Earth systems' nexus of climate, biodiversity, land, water and oceans, for the investor agenda. This laid the foundation for the latest research report published in 2023.

Biodiversity-related metrics are already part of our overall scores within our ESG Engine, for example our metrics on sustainable land and agricultural use or SDG 15: Life on Land. In addition, as part of our disclosure on Principal Adverse Impacts (PAI), our legal entities in scope of SFDR report on biodiversity-related factors (e. g., PAI 7 "activities negatively affecting biodiversity-sensitive areas").

Based on our engagement framework for DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and DWS CH AG we had a number of investee engagements focused on biodiversity and deforestation topics in 2023.

In 2023, we launched our first biodiversity-themed product range with three Xtrackers ETFs. The listed index funds provide exposure to equities exhibiting lower biodiversity-related risk relative to their sector peers and exclude business activities negatively impacting biodiversity.

Our Approach to Water and Oceans

In 2023, the DWS Research Institute published reports on the hidden costs of water pollution and implications of temperature increases in the oceans.

Water-related metrics are part of our overall scores within our ESG Engine, for example the water risk and opportunities score (within climate and transition risk assessment).

Water has been a regular topic in our engagement activities, specifically setting out expectations for better water-related disclosure practices, third-party certifications to verify positive impacts on water, or engagement with suppliers to improve their capacity to comply with the company's water-related policies. In 2023, a number of company engagements focused on water and blue economy topics. As part of our membership in the Valuing Water Finance Initiative, we continued to engage with a European apparel company. In that context, we also conducted a webinar in collaboration with Ceres on the initiative's progress in engaging with water intensive and polluting companies.

Organisational Structure

Biodiversity and water topics are managed by various teams in a multi-disciplinary approach.

Our Product Suite

Highlights

- Our ESG framework for actively managed retail funds domiciled in the EU has been further enhanced through the adjustment of our ESG filters.
- The Xtrackers business further broadened the European-domiciled ETF product line-up with additional social, climate, and biodiversity themed offerings.
- As a strategic business priority, we aim to support the transformation of European economies to meet increasing demand for private capital and bridge financing gaps.

Management Approach

As outlined in the section 'Our Strategy and Our Market – Our Strategy', we updated our sustainability strategy in 2023. Subsequently, within the Product Division, dedicated initiatives and working groups have been established to implement this strategy on the product level.

Most of our European domiciled actively managed retail funds continue to apply one of two DWS ESG filters: "DWS ESG Investment Standard" or "DWS Basic Exclusions". The "DWS Basic Exclusions" filter represents our basic approach to incorporating certain exclusions in the investment policy of the relevant fund. Products applying this filter only are excluded from the 2023 ESG AuM number. The "DWS ESG Investment Standard" filter enhances the exclusions in comparison to the "DWS Basic Exclusion" filter. Products applying this filter are included in the 2023 ESG AuM number.

In 2023 we further amended the DWS ESG filters taking into account amongst other topics the requirements of our DWS Coal Policy. For funds reporting under Article 8 and 9 SFDR we also excluded companies without ESG data coverage in the "DWS Norm Assessment" to ensure compliance with good governance practices. Additional adjustments in the "DWS ESG Investment Standard" filter include the introduction of new exclusions in controversial sectors as well as the introduction of the "UN Global Compact Assessment".

Over the course of 2023, the Xtrackers business continued to increase the number of European-domiciled ETFs which promote environmental or social characteristics with the launch of 26 new ETF sub-funds disclosing under Article 8 SFDR.

Such product launches included the expansion of the range of ETFs investing in companies related to the achievement of the United Nation's SDGs, additions to ranges of Climate Transition and Paris-Aligned ETFs, in line with the relevant EU Climate Benchmark Delegated

Regulation, and the establishment of the Xtrackers Biodiversity Focus SRI suite which aims to enable investors to reduce the risks associated with the decline in biodiversity.

Throughout 2023, we further increased the number of illiquid Alternatives funds which promote environmental or social characteristics and report under Article 8 SFDR.

The aim to support the transformation of European economies is a key strategic business priority for 2023 and beyond. We aim to meet the increasing demand for private capital and bridge financing gaps in strategically important areas of transformation. On this basis, in 2023 we started to leverage existing products as well as develop a family of dedicated investment solutions that focuses on different aspects of the European transformation. In addition, together with the Frankfurt School of Finance & Management, we established the “Centre for European Transformation” to support political and economic decision-making and thus to promote transformation and growth in Europe with our political partners.

Our Alternatives business is continuously looking to play an active role in supporting the climate transition by mobilising private capital to transform European small and medium enterprises, commercial and residential real estate as well as infrastructure in the region. In 2023, we developed climate dedicated transition strategies across our real assets' platform and further expanded our new product pipeline to meet increasing investor demand.

Organisational Structure

The Product Division is a global function positioning the product suite as the key differentiator and strategic instrument for growth in an increasingly competitive asset management industry.

The Global Head of Product is an Executive Board member and leads the Product Division. The Product Division is organized around functions and regions and owns processes across the product lifecycle: Starting from the product specific strategic planning process, product development, and product launch, the Product Division also steers and manages the product suite.

Dedicated ESG teams within the division support our internal investment teams and external clients in providing ESG information, analysis, and investment solutions.

Opportunities and Risks

ESG regulation continues to evolve rapidly, particularly in the EU. There is interpretation and clarification of these new regulations as well as the expectation of further regulatory

requirements which will continue to influence product design, disclosure and reporting with respect to ESG components. Further divergence of regulatory regimes between different regions could increase challenges on global asset managers but we aim to continue aligning our product suite to these evolving regulatory and industry standards.

Efforts to make global supply chains more resilient against shocks are adding to inflationary pressure, among other factors. Geopolitical risks could impact global markets and therefore our product suite. Against this background, we will continuously aim to diversify and evolve our product suite to address these risks.

We see interest in climate related products, particularly climate transition, which could provide opportunities for us as an asset manager.

Targets and Measures

Based on our global ESG Framework, the following products were considered as ESG AuM as at the end of 2023:

- Liquid actively managed products: retail mutual funds which follow the “DWS ESG Investment Standard” filter, or have a “sustainable investment objective”, and US mutual funds which have been labelled as ESG and seek to adhere to an ESG investment strategy.
- Xtrackers ETFs which apply a screen comparable to the “DWS ESG Investment Standard” filter, or which track indices that comply with the EU Benchmark regulation on EU Climate Transition Benchmarks and EU Paris-Aligned Benchmarks, or have a “sustainable investment objective”, and other liquid passively managed funds which have been labelled as ESG and/or seek to adhere to an ESG investment strategy.
- Liquid mandates or special funds for institutional clients or white label products in-scope of SFDR and that report pursuant to Article 8 SFDR which follow the “DWS ESG Investment Standard” filter or a comparable ESG filter aligned with the client or which are in scope of SFDR and report pursuant to Article 9 SFDR.
- Liquid mandates or special funds for institutional clients or white label products which are out of scope of SFDR but comply with certain of the “General Industry Standards and Guidelines for Sustainable Investing”.
- Illiquid products which are in scope of SFDR and report pursuant to Article 9 SFDR
- Illiquid products which are out of scope of SFDR but which have a “sustainable investment objective”.

ESG AuM (according to our ESG framework)

in € m.	31 Dec 2023	31 Dec 2022
ESG AuM – Active	88,212	81,263
ESG AuM – Passive including Xtrackers	43,333	34,193
ESG AuM – Alternatives	1,954	1,552
Total ESG AuM (according to our ESG framework)	133,499	117,007

Our Investment Approach

GRI 2-23; 2-24

Highlights

- In the PRI assessment for the reporting year 2022, we reached 5 stars in two modules and 4 stars in nine modules of the 12 PRI assessment modules relevant for us.
- In 2023, we continued to operate our engagement framework and have now included DWS CH AG in addition to DWS Investment GmbH, DWS International GmbH and DWS Investment S.A. Those entities conducted a total of 624 engagements.

Management Approach

We were among the early signatories of the United Nations-backed PRI, which we joined in 2008. As a consequence, we have processes, commitments and policies in place that are designed to incorporate ESG factors into the investment process.

Organisational Structure

The CEO also heads the Investment Division.

The Investment Division is organised by investment approach (Active, Passive including Xtrackers and Alternatives) and regions (Americas, EMEA, APAC), each with tailored approaches to the incorporation of ESG factors in the investment process.

The CIO for Responsible Investments reports into the Global Head of Portfolio Management – Public Markets. The CIO Office for Responsible Investments supports ESG incorporation for the investment platforms of Active, Passive including Xtrackers and Alternatives. The CIO Office for Responsible Investments includes:

– **Corporate Governance Center**

The Corporate Governance Center is organised by regional focus areas to account for varying market practice standards and proxy voting operational procedures. For our largest

management companies in Europe, the Corporate Governance Center defines our proprietary standards and expectations for good corporate governance for our portfolios and mandates according to the pooled voting rights agreements between DWS Investment GmbH, DWS Investment S.A. and for specific portfolio management mandates of DWS International GmbH. For our other legal entities that may have their own processes and policies in place, the Corporate Governance Center provides guidance and support on relevant stewardship topics.

Our corporate governance understanding builds on over 30 years of experience as active owners and is based on relevant national and international legal frameworks and associations (e. g., German Corporate Governance Code, the UK Corporate Governance Code, International Corporate Governance Network and the Group of Twenty/OECD Principles of Corporate Governance). We actively participate in relevant national and international investor working groups, as well as providing our input on German and European regulatory consultations.

– **ESG Integration team for Active Investment Management**

The ESG Integration team for Active Investment Management enables investment professionals to integrate material ESG factors into the Active investment process. The team also conducts engagements as part of the engagement framework for selected holdings of our portfolios and mandates of DWS Investment GmbH, DWS Investment S.A. and DWS CH AG and for specific portfolio management mandates of DWS International GmbH.

– **ESG Engine and Solutions team**

The ESG Engine and Solutions team is responsible for the design and implementation of DWS ESG methodologies within our proprietary ESG Engine. The ESG Engine produces key assessments, which are the basis for DWS ESG investment strategies (referred to in the section 'Our Product Suite') and for ESG integration activities. The ESG Engine collects data from various sources including leading commercial ESG vendors. For the asset classes where data are available, the data are standardised and aggregated to yield ESG assessment scores and grades which are used by different functions within DWS. The ESG Engine and Solutions team owns the validation of the results produced by the ESG Engine in regular update cycles. Throughout 2023, we used five external commercial ESG data providers: MSCI ESG, Morningstar Sustainalytics, ISS ESG, S&P TruCost, and ESG Book. The data are made available to research analysts and portfolio managers for liquid assets through the Aladdin platform and provides support to research, investment decision making and for managing ESG strategies. The use of the ESG Engine and the scope of application remained unchanged throughout 2023.

Involvement of our Research Institute

Our Research Institute is responsible for producing research on key investment themes, ESG thematic reports and DWS's long view ten-year return forecasts. The team acts as a key channel for delivering thematic research reports produced in the investment teams across the Group. In 2023, the ESG Thematic Research team continued to publish reports on solutions to European Transformation such as electrification of transport, alternative fuels, energy efficiency, and direct lending to small and medium sized companies. The Research Institute also continued its focus on nature by publishing articles on fresh water and the oceans and the first of a series of reports on biodiversity focused on regulations. The third report on ESG in Strategic Asset Allocation was also published. Reports were also published to support new Xtrackers product launches on thematic investing, green infrastructure, semi-conductors, cybersecurity, critical technologies and navigating the climate indices as well as European carbon allowances.

Opportunities and Risks

Human Rights and Norm Assessment

In recent years, countries such as Germany, France, UK, and Australia made laws on corporate accountability for topics such as human rights, which require larger companies to identify risks related to violation of human rights and environmental destruction. The United Nations Guiding Principles on Business and Human Rights clearly expect companies to operate to a higher international standard where national laws do not sufficiently respect human rights.

Investee companies can have an impact on the human rights of their employees and workers along their value chain as well as local communities. We incorporate the obligation to consider human rights issues in relevant internal policies and frameworks. Additionally, our norm assessment incorporates, among other factors, human rights controversies. These norm assessments are available to our investment professionals so that they can integrate these signals and material risks into the preparation of engagement discussions, investment research analysis and subsequently into investment decision making. Furthermore, we also carried out thematic engagements on human rights in Myanmar and Belarus in 2023. Please refer to the next section for respective international norms and guidelines applied in the process.

ESG Data

Given the rapid changes taking place in the world of ESG, we have processes in place that are designed to incorporate changes into the ESG Engine in a reasonable time. Such processes are required, for example, to enable us to meet specific client needs, or comply with

developments in regulatory reporting requirements. The processes are run by the ESG Engine and Solutions Team and under the governance of the ESG Methodology Council.

Targets and Measures

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Our policies and procedures are updated where necessary. The Investment Division's policies and statements are guided by the PRI Initiative, client needs, regulatory requirements, other initiatives and stakeholder views including NGO's.

Some of these policies and statements apply globally, others are regional and/or national in scope or only applicable to certain portfolio management teams. The applicability is a function of the nature of the matter concerned and relevant market standards.

Investment professionals, for the relevant legal entities within Active, are subject to the ESG Integration Policy for Active Investment Management. Jurisdictional differences, as well as different regulatory requirements, may lead to differences in the implementation of the policy. However, our investment professionals are expected to be aware of material ESG matters and, subject to the foregoing differences to comply with internal processes and legal, contractual, and regulatory obligations.

Stewardship

The Corporate Governance Center

In line with our commitment to fostering good corporate governance and in accordance with our stewardship approach for our largest management companies in Europe (DWS Investment GmbH, DWS Investment S.A. and for specific portfolio management mandates of DWS International GmbH), we sent an annual pre-season letter to more than 3,700 investee companies early in the year. The letter elaborated on key changes to our Corporate Governance and Proxy Voting Policy prior to the proxy voting season. During the 2023 proxy voting season, we raised questions at a total of 70 shareholder meetings, as published at <https://www.dws.com/en-gb/solutions/sustainability/corporate-governance/>. The team also sent individualised post-season letters to more than 850 of our investees. These letters highlighted where we voted against management recommendations that failed to comply with the DWS Corporate Governance and Proxy Voting Policy.

One of our priorities in 2023 was to progress on our 2020 net zero commitment. In support of our ambition, we continued to send thematic engagement letters to 80 additional companies with high WACI portfolio contribution in 2023. In the letter we set out our expectations, informed the companies of our voting strategy and requested detailed information about their

net zero strategies. In 2023, as part of our thematic net zero engagement programme, we conducted 214 dedicated net zero engagement activities.

In line with our new DWS Coal Policy, we sent engagement letters to 27 investee coal companies, communicating the relevant aspects of the DWS Coal Policy and our expectations that they accelerate their phase-out from coal and publish transition plans by end of 2025 at the latest. More details can be found in our Climate Report in the section Our Progress towards Portfolio Net Zero.

We regularly review and update our Corporate Governance and Proxy Voting Policy for DWS Investment GmbH, DWS International GmbH and DWS Investment S.A. to reflect developments in regulation and/or market best practices. In 2023, the changes covered decarbonisation shareholder proposals, executive compensation, and Japan, among others.

Examples of changes are:

Say on Climate and Shareholder Proposals on Decarbonisation:

A new section in our Corporate Governance and Proxy Voting Policy lays out our minimum expectations on carbon transition plans including oversight of climate issues, TCFD reporting and setting targets that cover all relevant emissions based on a credible science-based methodology. We have further expanded our expectations towards our investee companies on the following topics:

- thermal coal phase-out
- inclusion of emissions reduction targets into the executive compensation plans
- CAPEX alignment with their respective GHG emission reduction target
- climate lobbying for investee companies with high carbon exposure

Executive Compensation:

In the context of challenging economic conditions, our amendments focused on pay-for-performance alignment and appropriate pay structures, such as performance metric selection within the annual bonus and long-term incentive plan and fixed salary increases.

Japan:

We reviewed our expectations for large-cap Japanese investee companies given the development of corporate governance topics in the Japanese market. We still expect at least a majority of independent board members and 25% female board representation for prime-listed companies.

ESG Assessment Activities

The ESG Engine activities are driven by the business, regulation and clients' demands and are monitored by the ESG Methodology Council.

The focus in 2023 was on streamlining the governance processes around the ESG Engine and to support the Product Division in their restructuring of DWS investment guidelines pertaining to ESG investments. In addition, core ESG methodologies were reviewed and/or revised as well as validated by the DWS Model Risk Validation team.

The quality and actuality of ESG assessments provided by the ESG Engine is reviewed by the Sustainability Assessment Validation Council upon request. In 2023, there were 216 reviews including 24 downgrades, and 10 upgrades.

ESG Integration Activities

In 2023, the ESG Integration team continued to support the investment platform in several areas. It:

- introduced a comprehensive control framework that is designed to ensure compliance with the ESG Integration policy for Active Investment Management.
- continued to engage with investment professionals on ESG integration topics.
- provided global training sessions on new ESG methodologies, updated policies, and preparation for ESG analyst certification. By the end of 2023, an additional 346 colleagues qualified as certified ESG analysts (please refer to the section 'Our Responsibility – Entrepreneurial Spirit' for further details).
- continued with sector global materiality workshops to assist investment professionals in their identification of material ESG issues.

Our Engagement Framework

We continue to operate an engagement framework for DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and included DWS CH AG in 2023, which is designed to define engagement targets and track engagement outcomes for our investees.

The engagement framework is supported by a regional Engagement Council which meets on a regular basis to discuss and review engagement related topics. The Engagement Council members also discussed changes to the engagement priority list, based on the selection criteria and reviewed relevant thematic engagement letters.

For the DWS equity holdings that are in the scope of our Corporate Governance and Proxy Voting Policy applicable to the pooled legal entities (as executed by DWS Investment GmbH), 624 engagements were conducted in 2023.

Proxy Voting Activity

In 2023, for funds and mandates domiciled with our legal entities in Europe and Asia, we submitted votes at a total of 5,646 general meetings at 4,068 investee companies across 62 markets. This is an increase of 40% of companies voted compared to 2022.

These meetings represented approximately 95% of our equity assets under management in Europe and Asia. For the mutual funds domiciled in the US, we also exercise voting rights for all equity holdings and in 2023, we voted at a total number of 9,354 meetings.

Proxy voting and corporate engagements

	2023	2022	% change
Proxy voting:			
For mandates and funds domiciled with our legal entities in Europe ¹ and Asia ² (submitted votes ³)	5,646	3,857	46
Companies votes submitted to ³	4,068	2,897	40
For mandates and funds domiciled with our legal entities in the US (submitted votes)	9,354	9,340	0
Companies votes submitted to	6,791	6,777	0
Annual General Meeting attendance/questions sent to company boards for virtual/physical shareholder meetings for funds and mandates domiciled in Europe¹	70	64	9
Corporate engagements for funds and mandates domiciled in Europe⁴	624	532	17

¹ DWS Investment GmbH (with discretion to vote for certain assets under management of DWS International GmbH, DWS Investment S.A. (including SICAVs and PLCs) based on delegation agreements). Other DWS legal entities may have their own voting process based on different local regulatory requirements.

² DWS Investment GmbH acts as a proxy advisor for the two separate DWS legal entities in Hong Kong (DWS Investments Hong Kong Ltd.) and Japan (DWS investments Japan Ltd.), for which DWS Investment GmbH provides voting recommendations and the voting rights and voting execution lies with the respective Hong Kong and Japan entity.

³ Of these, votes at 59 meetings at 55 companies were rejected. Out of these 55 companies, 4 companies had other successfully voted meetings.

⁴ The engagement framework applies to the following legal entities: DWS Investment GmbH, DWS Investment S.A. (including SICAVs and PLCs), for certain assets of DWS International GmbH and DWS CH AG.

More details on our engagement and proxy voting activities for 2023 can be found in our DWS Stewardship – Engagement and Proxy Voting Report 2023, once published. For details about

Stewardship in 2022, please see <https://www.dws.com/AssetDownload/Index?assetGuid=85963db4-1682-4369-8172-78b917aa0ece&consumer=E-Library>

Contribution to Action on Climate Change

GRI 201-2

Throughout 2023, we continued to focus on fundamental ESG thematic research, engaging with third parties and ensuring that ESG themes are discussed in the DWS CIO View. Various topics including physical climate risks and Sustainable Development Goals (SDGs) were part of our CIO Day.

ESG in Alternatives

Illiquid investments comprises direct investments into unlisted real estate, infrastructure (both via debt or equity) and private equity. The inherent differences between the liquid and illiquid asset classes require that the approach to incorporating ESG for Alternatives be tailored specifically to the relevant Alternatives asset classes as outlined in the sections below. In general, the incorporation of ESG into the illiquid investment process takes place during investment due diligence and portfolio management.

ESG in Real Estate Investments

GRI 203-1

Our real estate business recognises the importance of identifying, assessing, and managing sustainability-related risks and opportunities as an integral part of conducting business. DWS Real Estate focuses on the following ESG aspects, which are material for real estate equity and/or debt investments: transitional (e. g., a building's energy efficiency), physical (e. g., flooding risk), social norms (e. g., well-being sustainability rating) and governance (e. g., third-party risk rating of a debt sponsor). These ESG aspects can present both risks and opportunities for the financial performance of real estate assets, and investments may have positive and negative environmental and social effects.

Therefore, DWS Real Estate takes a fiduciary-led approach to ESG aspects and sustainability performance in private real estate investment management, defining a range of operation between ESG and financial risk boundaries. The ESG risk boundary relates to risks where appropriate actions to assess and manage ESG aspects, if not undertaken in good time, could result in negative impacts on sustainability and long-term expected financial performance of the asset or portfolio. The financial risk boundary relates to negative effects of inappropriate sustainability actions (e. g., actions that are ill-timed, or too extensive) on compliance with the investment objectives.

DWS Real Estate has identified eight sustainability topics, which are most relevant for real estate investment management, and grouped them into the following four sustainability themes:

- Resilience, encompassing efficiency in construction and operation, and asset adaptation to external conditions
- Well-being, encompassing physical and mental occupant comfort and air quality
- Nature, encompassing circularity in buildings and protection of ecosystems from pollution
- Community, encompassing housing affordability and stakeholder engagement

Sustainability objectives on portfolio level are considered in relation to the investment strategy, contractual financial requirements, market and regulatory conditions and specific client expectations and formalized in a portfolio-specific sustainability strategy. ESG aspects and sustainability performance are important elements of consideration in each phase of the real estate investment process. This includes both risks and opportunities analyses informing acquisition, asset management and disposal decisions. Identified actions are assessed against accretive returns objectives and integrated in sustainable asset management plans accordingly.

The secret instrument is a Relation in Relation to Real Estate

In order to provide transparency, we report into the Global Real Estate Sustainability Benchmark (GRESB), which provides an independent assessment of portfolios and funds using a peer-based approach and scoring based on several ESG metrics. In 2023, we reported 20 individual portfolios to GRESB, covering USD 61.8 billion AuM.

Aggregated across all portfolios, using the GRESB analysis feature, in 2023 we achieved a 30/30 Management score, compared to the GRESB average of 28. Management component covers governance categories such as leadership, policies, reporting and stakeholder engagement. Furthermore, the aggregated portfolio achieved a performance score of 51/70, as compared with the GRESB average of 52. Performance component measures issues such as certifications and ratings, carbon, energy, water and waste performance. Eight portfolios achieved four-star GRESB rating (five stars is the highest rating). In addition, all 20 portfolios achieved Green Star recognition. Other than the GRESB Rating, which is a relative rating, the GRESB Green Star is a rating on absolute performance. For more information, please see <https://www.gresb.com/nl-en/faq/what-is-a-green-star/>.

ESG in Infrastructure Investments

GRI 203-1

We seek to incorporate ESG considerations into the investment framework of the Infrastructure business at all stages of the investment lifecycle for equity investments, from the initial screening and due diligence to the asset management and exit stages. During the holding period, we monitor the ESG attributes of the investments through the regular reporting of KPIs to us from the portfolio companies, and through completion of the annual GRESB Infrastructure benchmarking assessment at both fund and asset level. The KPIs cover ESG issues such as carbon footprint, water usage, health and safety indicators and diversity and inclusion metrics at both staff and board levels. Our due diligence also considers governance topics such as fraud, bribery, sanctions and compliance, as required. Findings from the due diligence phase are incorporated into the Investment Committee paper and presented to the Investment Committee for consideration.

The Infrastructure business also places emphasis on reporting, producing an annual Sustainable and Responsible Investment report for investors. Infrastructure achieved a 5* star rating in the UN PRI assessment for the calendar year 2022 which was published in 2023.

During 2023 we updated the Environmental and Social Management System under which the business operates in order to reflect changes in the ESG environment and to strengthen our procedures. It has also been updated to reflect our obligations under SFDR and investor requirements. The Environmental and Social Management System applies to potential and existing portfolio investments in infrastructure equity. Furthermore, it also creates a process for regular engagement with portfolio companies on ESG matters and a framework for their regular reporting to us.

As a result of this regular reporting and engagement, we aim to help drive improvements in ESG metrics and performance at our portfolio companies with a view to improving the businesses' sustainability credentials and to create value.

The infrastructure approach to ESG is summarised by the following 3 pillars:

- **Governance:** The Infrastructure business is governed by the Environmental and Social Management System, which provides the overarching framework, processes and governance for our ESG integration approach in Infrastructure.
- **ESG assessment process:** We have an ESG checklist which should be completed during the acquisitions process for all prospective equity investments. The findings should then be incorporated in the Investment Committee memo.

- **Monitoring:** As part of the asset management process, we seek to collect data on key ESG metrics within each of the operating companies. This information is then used to better refine our asset management strategies and is also reported to our investors in the form of a Sustainable and Responsible Investment Report. Certain KPIs, such as those around occupational health and safety, are also embedded into the performance review process for the operating companies.

The infrastructure debt business, in collaboration with our research teams, developed a bespoke proprietary ESG scoring methodology, which has been in use since 2021. The methodology supports the overall investment process and ongoing monitoring of environmental risks. It is designed to guide the ESG due diligence process and to assign an ESG assessment to each potential investment, based on a pre-defined set of ESG KPIs, which are sourced from the borrower/sponsors, external advisors or public sources.

ESG in Sustainable Investments Funds

Our Sustainable Investments team creates solutions for institutional, private investors, development banks, and governments, who share common social and environmental investment objectives and seek attractive financial returns. The business is organized around three components:

- Financial Inclusion/Microfinance
- Social Enterprise Financing (agriculture, health, and energy)
- Energy Efficiency/Renewable Energy

The Sustainable Investments team represents experienced global investing capabilities that include several regionally-focused strategies in Europe, Africa, and Asia.

The secret shape is a



Client Commitment

GRI 2-25; 2-26; 3-3

Highlights

- After two years virtually, the “DWS Investmentkonferenz” took place in person again
- Client satisfaction survey for top clients shows very good results
- The overall volume of client complaints trended significantly down

Management Approach

The Client Coverage Division aims to serve the investment needs of clients across all segments and regions by offering tailored portfolio management services. We aim to build long-term and trusted client relationships, deliver the best investment solutions and the highest quality client service. We conduct business in accordance with our fiduciary duties and in the best interest of our clients. Our relationship managers work collaboratively with product specialists, portfolio managers, and client service specialists to bring suitable investment products and solutions to our clients. We provide ongoing training to our staff on various topics, including investment research, macroeconomics, ESG and new product solutions, with the aim of best serving our clients. As we did in previous years, we also continue to provide seminars, conferences and webinars to our clients.

We refer to institutional investors and intermediaries as clients, also for the purpose of this report. The terms “end-users” and “consumers” relate to retail investors. Those are not clients of DWS, but investors into our mutual funds and ETF products and therefore not in scope.

Organisational Structure

We interact with our clients in various ways and formats seeking continuous dialogue.

The Division has global presence with relationship managers in Germany, EMEA, APAC and the US. We have over 30 locations spread across all regions and thus offer our clients contact with relationship managers on site. The Division's leadership team spans across all regions and our asset classes Active, Passive including Xtrackers and Alternatives.

In addition to daily interactions, there are several important client events. After two years on a virtual basis, one of our largest client events, the “DWS Investment Conference”, took place at the Alte Oper in Frankfurt am Main with around 1,200 registered participants. In May 2023, the “Investorendialog” was held with our institutional clients. In addition to the client events in Germany, further events in hybrid format took place in other countries. Our client service

teams offered a range of webinars on various topics including geopolitical and social change as well as digital and sustainable transformation. Beyond that, our clients were served with Research House articles and our DWS CIO view.

Opportunities and Risks

To assess client experience and minimize risks, we review complaints on an ongoing basis. Although we distinguish between clients and investors, as described above, all complaints raised by clients and investors are handled according to the same standards. We are committed to handling all complaints fairly, effectively, and promptly. Our complaint registers provide valuable insights into how we are performing from our clients' perspective. A robust and consistent client complaint handling process as well as transparent reporting help to process these insights. We aim to identify and remediate client outcomes, to learn from them and train our client-facing staff accordingly. The goal is the reduction of mistakes, the enhancement of risk transparency, and management information.

Minimum requirements for handling complaints are stipulated in the DWS Group Complaints Policy. Client Coverage staff will investigate each complaint thoroughly and notify our clients and investors about the outcome. Additional information regarding client complaint handling is available on our website.

Process controls by managers should ensure that all received complaints have been handled, logged, investigated, resolved and reported in accordance with regulatory requirements. Furthermore, a central DWS Complaint Management function has been established to report material complaints to relevant internal boards. We also report to supervisory authorities when required by regulation.

In 2023, the number of complaints raised by clients and investors dropped significantly compared to 2022 (minus 62 percent). The extraordinarily higher level in the previous reporting period was caused by a concerted action of protest mails addressed to us. The volume of complaints logged in 2023 fairly reflects the ordinary business, with majority of complaints raised by retail funds investors.

Targets and Measures

We value feedback from our clients on their experience with us, to help us improve our service.

To measure client satisfaction globally in a consistent way, a new client satisfaction survey with our top 50 global clients, including our strategic distribution partners, was published as a

pilot project in 2022 using the net promoter score methodology. The survey aims to enhance client experience and to further strengthen client centric orientation. The net promoter score rates the likelihood of recommending us to a business contact. We achieved a score of 50% (on a minus 100% to plus 100% scale) in this pilot. Senior management regularly reviews interim results and compares internal scores against the industry benchmark to set ambitious targets for improving client satisfaction.

In 2023 we conducted the second annual survey for these top clients with an additional 120 key clients. The 2023 score was also at 50% across all clients. To determine development year over year, we aim to repeat the survey for the same population again next year. An additional expansion of the client satisfaction survey is being discussed.

In addition, we conduct further internal and third-party client satisfaction surveys, which enable us to gain a 360-degree view of our client services.

In Germany, annual client satisfaction surveys were conducted for our clients and distribution partners. Two options were offered to clients, a "Voice Survey" over the phone and an "E-Mail Survey". Clients and advisors rated their satisfaction on friendliness of staff, professional competence, comprehensibility and solution orientation as well as sales-specific questions. The results were communicated to relevant internal stakeholders, including senior management, service centre staff, and the workers' council. Based on the feedback, we formulate steps for improvement which we incorporated into employee training.

The overall participation rate was 9% in 2023 and client satisfaction was rated very high. Based on our client feedback in the business-to-consumer survey, measures were implemented to improve the quality of e-mail services.

In the US, we conduct annual client satisfaction surveys for our insurance clients which is focused on investment performance, client service, innovation and overall satisfaction levels. The survey has shown a consistently positive overall satisfaction rating of over 90% for the last five years.

We strive to process findings from client satisfaction surveys and complaints quickly to implement them accordingly.

Entrepreneurial Spirit

Highlights

- We launched our Positive Performance Culture initiative as a strategic enabler to our Capital Markets Day commitments.
- We established our Leadership Kompass to set a clear standard of leadership behaviour across DWS.
- We reaffirmed our commitment to our hybrid working model guidelines.

Management Approach

We continuously invest in our diverse mix of people, empowering them to make change and fostering their creativity, courage and long-term thinking.

Employees and Workplace

In 2023, we continued to prioritize sustainable people management across DWS to develop managers and leaders and to support our employees. Our people strategy focused on a culture of excellence and inclusive decision making, enabled by a strategically aligned workforce and a “Positive Performance Culture” initiative was established as an enabler to our strategic initiatives. This sets out to enhance and evolve our performance culture, focus on leadership development, strengthen performance management, and establish stronger linkage between performance and reward.

Our key areas of focus have included:

- Launching our Leadership Kompass at DWS
- Training for employees on their first management assignment and improved guidance for managers
- Continuation of our Functional Role Framework to support career progression
- Piloting Learning Pathways using our AI-driven learning platform

Diversity and Equal Opportunities

GRI 3-3; 405-1

We are committed to building an inclusive culture that respects and embraces the diversity of our colleagues, clients, and communities and that nurtures an environment where every perspective matters and where every voice is heard.

With colleagues across 70 nationalities, speaking more than 78 languages, locally rooted, yet globally connected across 21 countries, we celebrate our differences, treat each other with respect, listen openly without judging, and value each other’s insights. This brings us closer together and contributes to a thriving and inspiring workplace.

We aim to attract, develop, and retain the best people from all cultures, countries, races, ethnicities, genders, sexual orientations, abilities, beliefs, backgrounds, age groups and experiences. To this end, we follow an integrated and multi-dimensional approach to Diversity, Equity and Inclusion (DE&I). We also aim to offer part-time employees the same opportunities as full-time employees. This year the percentage of employees globally who work part time stood at 6.1% (2022: 7.1%).

As part of our broader sustainability strategy and our human rights commitments, we worked on the following DE&I areas:

- Continuing to reach voluntary goals at the Supervisory Board and Executive Board-1 and Executive Board-2 levels per the German Gender Quota Law (FüPoG – Erstes Führungspositionengesetz). Our efforts will also continue to align us to the German Executives Positions Act II (FüPoG II – Zweites Führungspositionengesetz). Proportion of women is one of the KPIs that we are tracking internally with continued success in meeting our voluntary goals.
- Establishing a Global DE&I working group to further progress across our regions.
- Hosting our third annual “Day in the Life of an Asset Manager” event in the US by hosting students of diverse backgrounds across 12 universities to inform them more about the asset management profession and opportunities at our firm.
- Building and expanding our advancing diverse talent programme in the US.
- Introducing a disability smart focus in the UK working towards the UK Government Disability Confident scheme to become a disability confident employer.
- Increasing opportunities for social mobility in the UK by partnering with upReach, The Skills Workshop and 10,000 Black Interns for the second year running to offer work experience, mentorship and skills training to students from lower socio-economic backgrounds or black heritage.

Employee Inclusion and Engagement Networks

Our internal employee inclusion and engagement networks are spearheaded by colleagues across all regions. Many leverage diversity in its broadest sense – from race, colour, religion, age, physical or mental disability, medical condition, sexual orientation, gender and veteran status – to create a greater sense of purpose for their employees, the Group and themselves.

The networks inspire inclusiveness in our daily interactions. They are voluntary, employee-led groups, driven by a common purpose: making a better workplace – for everyone. By sharing information, educating, and engaging with our communities, they contribute to business development as well as recruitment, retention, and professional development. They are open to all employees.

Continuing our Focus on Gender Diversity

Our aspiration is for greater female representation across DWS and we continue to monitor and report on our progress to the Executive Board. Individual goals and targets form part of Balanced Scorecards allocated to senior leaders across the firm – and these are aligned to performance evaluation and compensation.

Gender diversity

	Target	2023	2022
Women on the Supervisory Board of DWS KGaA	30.0% ¹	41.6%	33.3%
Women on the Executive Board of DWS KGaA	1 ²	2	3
Executive positions on the first management level below the Executive Board held by women	32.0% ³	36.2%	34.5%
Executive positions on the second management level below the Executive Board held by women	33.0% ³	36.3%	33.0%

¹ For the supervisory board of a listed, co-determined company, a minimum quota of 30 percent women has already applied since the FöPoG of 2015 in accordance with Section 96 (2) German Stock Corporation Act.

² According to FöPoG II, listed companies which have more than 2,000 employees, must fill one position with a woman and one with a man on their executive and administrative boards with more than three members.

³ By December 2024.

We are also committed to ensuring that:

- We increase diversity in decision making bodies which include voting committees, legal entity boards, and other bodies.
- We reflect gender diversity within our product range, e. g. DWS Invest ESG Women for Women.
- We participate in the Gender and Ethnicity Pay Gap Report of Deutsche Bank Group in the UK.

In Germany, the German Remuneration Transparency Act (EntgTranspG) offers employees the right to request specific aggregated information about the remuneration of employees of the opposite gender in comparable jobs. As a global company, we continue to look forward to monitoring and reporting on our progress.

EEO-1 Reports

We published our consolidated EEO-1 reports for the US workforce. The EEO-1 report is a mandatory annual data collection that requires all private sector employers with 100 or more employees to submit demographic workforce data including data by ethnicity, sex and job categories to the US Equal Employment Opportunity Commission on an annual basis.

External Partnerships

In nurturing an inclusive work environment we have developed several key external partnerships across the globe. These partnerships not only help us to drive our internal agenda, but they also enable us to share good practice and to positively impact the societies we are operating in.

They include:

- DWS and Fondsfrauen organised an event for young professionals with the aim of raising females quota in DWS
- Financial Supporter of Level20, a not-for-profit organization dedicated to improving gender diversity in the European private equity industry
- Joined the Human Rights Campaign's Business Coalition opposing Anti-LGBTQI+ State Legislation and also signed in support of the Respect for Marriage Act
- In 2023, DWS completed the Human Rights Campaign Foundation's Corporate Equality Index and received a score of 95 out of 100. The index is the national benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees.
- Founding member of Morgan Stanley's diversity and inclusion initiative "The Equity Collective". The group is comprised of 27 leading wealth and asset management firms that work to empower the next generation of diverse leaders.
- Sponsors for Educational Opportunity which provides access and opportunities for students who have been historically excluded from industries across Wall Street and corporate America, including Black, Latino, and Native American undergraduates. SEO programs offer access to internships, intensive training, and coaching

For more information please refer to the table in the section 'Supplementary Information – Stakeholder Engagement'.

Remuneration Strategy

GRI 2-19

A key aspect of remuneration strategy is our compensation framework which embodies the “pay for performance” principle and ensures that all contributions to our success are appropriately recognized and rewarded. ESG measures, alongside others, are integrated as key performance indicators within the framework. These measures are linked to employee compensation to reflect the importance of ESG considerations.

Having included our teams in India and the Philippines in our compensation framework in 2023, we now apply one unique compensation framework across DWS.

For more information please refer to the section ‘Compensation Report’.

Organizational Structure

We aspire to offer a workplace where creativity and ideas are supported and where individual strengths, different backgrounds and broad perspectives are valued.

The Global Head of HR reports to the Chief Administrative Officer who is a Member of the Executive Board. Many of our HR colleagues are assigned to international teams. Regional Human Resources managers are responsible for our Americas, APAC, EMEA, Germany and UK locations.

The areas of responsibilities of HR include the development, implementation and maintenance of DWS’s compensation framework; delivering workforce capabilities; and providing strategic consultation advice and support on all people-related matters. This includes, but is not limited to, recruitment and onboarding, performance management, training and development, and recognition and reward.

Opportunities and Risks

Employee Engagement

GRI 2-16; 2-26; 3-3

People Survey Results

Our annual people survey results are a key yardstick in our calendar and serve as a vital enabler in communicating the pulse of the firm, highlighting areas we are performing well in, as well as the areas where we need to make improvements.

In 2023 we had our highest response rate of 74% (2022: 66%) with over 1,000 free text comments. Additionally, five new reporting dimensions focused on Building Trust, Taking Accountability, Enabling Collaboration, Accelerating Solutions, and our Leadership Kompass.

What did we learn from the survey?

- Our Commitment and Enablement scores remain at high levels despite both experiencing a year-on-year decline to 69% (2022: 73%) and 74% (2022: 78%) respectively.
- All five reporting dimensions scored above the 70% threshold.
- Key areas of strength were identified as: Enabling Collaboration, Leadership Kompass, and Speaking freely and raising concerns.
- Priority areas to address included: Building Trust, Accelerating Solutions, and Digitalization. All of these will support an increase in Commitment and Enablement.
- Questions related to our Ethics, Conduct and Speak Up Culture scored 75% which remains above the 70% threshold (2022: 77%).

As a follow up, we ran a culture pulse survey in the fourth quarter with 67% participation (fourth quarter 2022: 69%) covering: “Giving and Receiving Feedback”, “Speaking Up”, “Sharing Appreciation”, “Facilitating Effective Team Meetings” and “Productive Behaviours”. All scores are in line with the previous 12 months, with our culture pulse index remaining consistent with fourth quarter of 2022 with a result of 76%.

To improve our scores in 2024 we will be re-emphasizing the importance of having regular open and honest conversations, encouraging recognition of positive contribution, addressing negative contribution, highlighting the importance of our values, showing care and concern for our employees, and supporting career development.

In addition to the people survey, we also measured staff grievances. In 2023 we had six complaints. For more information, please refer to ‘Employee Incident Management’ in the ‘Supplementary Information – Human Capital’ section.

Health and Wellbeing

GRI 3-3; 403-6

We believe that fostering a work environment which integrates health and wellbeing into our business has a positive impact on the organization and helps to maintain our employees’ quality of life in both the short and long term as well as to create a sound work-life balance. This is supported through our regional employee assistance programs across all locations.

Some of the benefits and offerings across our locations include, but are not limited to, the following:

- Company medical care and regular preventive medical check-ups free of charge
- Medical check-ups and range of associated benefits for new joiners
- Ergonomics and accident prevention programs
- An online portal covering health, wellbeing, nutrition and work-life balance
- Country-specific annual health weeks with associated webinars and training
- Health and psychologist providers who employees can contact on an anonymous basis
- Fundraising events for mental health regional charities of the year
- Drop-in clinics and webinars on mental health facilitated by our People Engagement Groups
- Meditation sessions to bring mindfulness to the workspace

Hybrid Working Model Guidelines

We recognise the importance of a healthy work-life balance and this year we reaffirmed our commitment to our hybrid working model guidelines across the globe which give us greater flexibility in meeting the needs of our clients, the firm, and our employees.

In most instances, for employees who choose to opt-in to this model, our hybrid working guidelines give the opportunity to work from home depending on their functional role and regulatory requirements – which may vary across regions.

Employee Development

GRI 404-2

Our approach to employee training is to create a proactive learning and development environment that supports business performance and personal growth. We approach training on the basis that learning happens according to the 70-20-10 model: 70% is learning on the job, 20% is social learning, and 10% is formal learning. All employees take responsibility for their development and this is supported via access to various channels, resources, and tools, as described below.

LearningHub and Corporate Curriculum

Following the successful pilot of our LearningHub last year, we leveraged functionality to build out various learning pathways specific to Asset Management and ESG as well as learning plans that support our Leadership Kompass behaviours.

In addition, we launched a Corporate Curriculum including a series of virtual training sessions and self-study eLearnings focused on our employees' personal development. We offer these

opportunities for learning through a new monthly newsletter, highlighting pre-selected self-study eLearnings, articles and videos promoting a "skill of the month". Employees can access these learning highlights on our LearningHub.

The LearningHub platform, powered by artificial intelligence, will remain our golden source for employee online learning, and we plan to expand its capabilities in the future.

ESG



ESG is another core area of focus, offering a wide range of online training to certification. Currently we have 329 active employees who are Environmental, Social and Governance Analysts (European Federation of Financial Analysts Associations Certified ESG Analyst®). We also launched an ESG Educational Framework series open to all employees on ESG-related topics.

Total Performance and Career Development Planning

We continued to support employees and managers during the year with assistance in understanding our performance management approach and process. The process takes place at the beginning of the year and involves planning professional development and providing meaningful and effective feedback throughout the year and as part of the year-end process. We offered training throughout the year to support each of these activities.

Leadership Development

In 2023, we launched our DWS Leadership Kompass. This defines a set of eight behaviours expected from our leaders:

- Encourage Solutions,
- Take the Client Perspective,
- Show Excellence through Expertise,
- Collaborate to Make Others Successful,
- Champion Accountability,
- Promote a Sense of Belonging,
- Seek and Own Feedback,
- Invest Time to Lead and Inspire.

In addition to setting the leadership standard for our firm, the Leadership Kompass establishes an understanding of how we practice and live effective leadership every day.

We also recognize that being a new manager requires a mindset shift. Following last year's pilot, we rolled out "Leading as a New Manager" training for employees who career progressed into a first-time manager role in 2023. This comprehensive training covers topics such as micro-managing, understanding a team's working style and how to create an inclusive culture.

First time managers are also provided with a "Welcome to Leadership" guide and a "Leadership Kompass" guide.

For information regarding Grey Area Training, please refer to the section 'Compliance and Control – Anti-Financial Crime and Compliance'.

Talent Management

In 2023, we further developed our talent management strategy with three programs:

- Corporate talent program for select senior leaders being considered as successors for critical roles.
- Core talent program for a select group of mid-level top talent being considered for broader/more complex leadership or expert roles.
- Regional talent programs for regional top talent being considered for progression into expert or first-time manager roles.

In 2023, we continued our Investment Division initiative focusing on rising female talents with sessions in London and New York.

Recruitment

In 2023, our recruitment function oversaw 533 permanent hires (excluding India and Philippines) 44% of which were in Germany. Our professional recruitment team reduced the reliance on external third-party recruiters to 8% in 2023 due to direct sourcing coupled with a strong focus on filling roles internally.

Early Career and Graduates

Our early careers pipelines represent future talent, bringing fresh perspectives and innovative ideas to the firm. The early careers cohorts contribute to the agenda of change, sustainability, and diversity, equity, and inclusion.

In 2023, we delivered enhancements to our graduate programme including re-introduction of a global in-person orientation and training offering for 35 new graduates. We have also

continued to focus on designing further enhancements to support a growing talent pipeline and an expanded graduate programme in the coming years.

Internships and dual students are another important component of our early careers strategy and offer additional opportunities to attract high-quality entry-level talent to the firm.

DWS Alumni Network

The DWS Alumni Network has approximately 700 members.

Whether our former colleagues spent their entire career with us, or just a part of it, their contribution to building the organization will always be appreciated. To keep them informed on latest developments we share our newsletter with current topics – ranging from quarterly results announcements to updates on our DE&I and CSR programs.

Targets and Measures

Human Capital Reporting Standards

In 2023 we were again certified for our commitment to Human Capital Reporting Standards guided by the Guidelines for Internal and External Human Capital Reporting issued by the International Organization for Standardization (ISO 30414)

This provides measures on human capital metrics that companies should report internally and those they should disclose publicly – including areas such as "Compliance and Ethics", "Diversity", "Leadership", "Organizational Culture" and "Health and Well-being". For further information please refer to the section 'Supplementary Information – Human Capital'.

Continued certification pursuant to these standards is a fundamental part of our commitment to the Social and Governance ESG pillars to drive support for the global community in achieving the UN's Sustainable Development Goals (SDGs), predominantly SDG 3: "Good health and well-being", SDG 5: "Gender Equality", SDG 8: "Decent work and economic Growth" and SDG 10: "Reduced Inequalities".

For information about our diversity targets and measures please refer to the section 'Corporate Governance Statement – Diversity at DWS Group'.

Social Engagement

We are focusing our activities alongside our CSR strategy: We are committed to tackling climate change and addressing social inequalities – to help overcome two of the greatest challenges facing our society today.

Through corporate volunteering and donations, we support partner organizations in all our regions which are contributing to one of our CSR goals. As responsible corporate citizens, we also want to address acute needs for support in our immediate neighbourhood, and support emergency relief to mitigate the effects for people living in these regions globally.

Further Significant Increase in Our Voluntary Commitment

Employee volunteering is an important element of our social engagement as it provides our employees the opportunity to contribute to our CSR strategy. We are particularly proud that staff participation rate increased to 32% in 2023 (25% in 2022). Volunteering ranged from activities to protect and preserve the environment to providing support for social institutions. In 2023, our employees performed 7,633 hours of volunteering (5,206 in 2022) which equated to 104 minutes of volunteering per employee (84 minutes in 2022).

Based on the Deutsche Bank Impact Tracking tool, we estimate that we reached over 270,000 people with our social commitment in 2023. The majority of these – 250,000 people – with programs to protect the environment and the oceans. We were able to support over 18,000 people with our social initiatives. Our employees also contributed to this through their voluntary work. 40% of all projects were actively supported by our employees.

Our Support for Tackling Climate Change: Protection of the Oceans in Focus

As part of our focus on ecological issues, we remain committed to protecting the oceans and preserving the Blue Economy. This is why we work closely with ocean and conservation organizations such as World Wide Fund for Nature Germany and Healthy Seas.

We have retained our partnership with the marine conservation organization Healthy Seas in its efforts to rid the world's oceans of "ghost nets", thus saving the lives of countless marine creatures. With our recent donation, Healthy Seas was able to expand its geographic focus to Asia Pacific and launched a series of ghost diving activities in Hong Kong. Our staff's support is ongoing and colleagues in all regions are offered the opportunity to become an ambassador for the marine protection organization.

As a further contribution to ocean conservation, since 2021 we have been supporting a multi-year marine conservation project facilitated by the World Wide Fund for Nature Germany in the Mesoamerican Reef near Belize. The project is helping to mitigate the impacts of climate change in the region.

Our Support for Reducing Social Inequalities and Providing Disaster Relief

As part of our ambition to contribute to greater social justice, we launched a new partnership in 2022 with the non-profit organization Women for Women International. The organization supports women survivors of war and conflict, providing them with social and economic skills to transform their own lives and subsequently share their knowledge.

To provide support with emergency relief, we supported the emergency efforts around the two devastating earthquakes that hit south-east Turkey and northern Syria. Our colleagues have pulled together, making a charitable donation which was then matched and topped up with a corporate donation by us as DWS Group to support UNICEF's important work in the region.

The secret clothing is a



Human Rights

GRI 2-23; 3-3; 414-1

Highlights

- A new Third Party Management team within Procurement was established to oversee supply chain-related human rights topics.
- We strengthened our processes to prevent and remediate human rights-related adverse impacts in our upstream supply chain.

Management Approach

As part of the Deutsche Bank Group, we comply with the human rights-related due diligence obligations contained in the German Supply Chain Due Diligence Act. Prospective third parties with an annual spend of € 100,000 or more are required to acknowledge a Supplier Code of Conduct, which outlines Deutsche Bank Group's expectations of suppliers, including those pertaining to human rights.

In 2023, we further enhanced our processes for assessing human rights- and environment-related risks associated with third parties. These measures include screening prospective new third parties as well as third parties undergoing contract renewals to identify social or environmental impacts in relation to their service delivery. We also perform adverse media screening which may identify human rights- or environment-related controversies. A new DWS Supplier Code of Conduct was drafted in 2023 and is expected to be implemented in 2024.

Organisational Structure

Responsibility for upstream supply chain-related human rights topics lies with our Third Party Management team, which is part of the CFO division.

Information on our management of human rights topics in the context of our investments and our human resources activities can be found in the respective sections 'Sustainable Action – Our Investment Approach' and 'Supplementary Information – Human Capital' of this Annual Report.

Risk Management

The management, control, and reporting of human rights risks in our upstream supply chain follows the three lines of defence model. The first line of defence is composed of all business

and control functions that utilize third parties, supported by Third Party Management, and is responsible for performing and reviewing third party risk assessments. Any third party assessed with potential human rights or environment-related risk is subjected to an enhanced due diligence assessment. In such cases, third parties must submit a valid ESG rating from Ecovadis, an external provider of external sustainability ratings, or respond adequately to our adverse impact questionnaire. The second line of defence consists of risk type controllers from the Sustainability Risk function, who facilitate the integration of ESG in our Risk Management Framework and ensure that overall risk remains within our risk appetite. The third line of defence is our internal audit function. Human rights-related risks outside of our risk appetite require escalation to the Executive Board.

For all risks identified through this process, we apply mitigation measures to bring the risk within our risk appetite.

Risk Report

Overall Risk Assessment

IFR Article 47

We are exposed to a variety of corporate and fiduciary risks because of our business activities. These risks include non-financial risk, financial risk and sustainability risk. Sustainability risk is not considered to be one individual risk type, but rather sustainability factors are drivers of existing risk types. The corporate risk profile is driven by various external and internal factors, including fiduciary risk. Our fiduciary obligation is paramount for our assets under management and requires us to put the interests of our clients first. We achieve this by risk managing the investment portfolios on behalf of our clients and by complying with regulatory requirements and contractual obligations.

In this context, our risk management framework has two core principles: every employee needs to manage risks and is obligated to ensure that we operate in the best interest of our clients, and we have strict segregation of duties enabling us to operate a control environment that is designed to protect the franchise, our clients, and shareholders.

Material risk categories include:

- **Corporate financial risks** such as market risk associated with our co-investments, seed investments, guarantees, credit risk, liquidity risk and strategic risk
- **Corporate non-financial risks** including reputational risk and operational risk (with important sub-categories such as fiduciary obligations, information security, transformation, regulatory adherence, service providers) and potential spill-over effects from our fiduciary risks.
- **Fiduciary investment risk** is the management of investment portfolios in accordance with our fiduciary and regulatory obligations. Investment risk includes market, liquidity, counterparty, and valuation risks coupled with risk type diversification benefits.

We manage the identification, assessment, and mitigation of key risks through internal management processes and the use of risk management tools. We have a clearly defined risk appetite and our approach to identifying and assessing risks is designed to enable us to mitigate their impact on our financial results, long-term strategic goals and reputation. This also applies to sustainability risks and adverse impacts which form an integral part of our risk

framework across risk categories. Please refer to the section 'Risk Report – Risk Framework' for detailed information on the management of our material risks.

External factors outside of our control can have a significant effect on our financial profile and strategic plans. Please refer to the section 'Outlook – DWS Group – Opportunities and Risks' for detailed information on these external factors. The potential impacts of these risks are analysed and monitored by stress tests, which indicate our ability to absorb these events should they materialize. The results of these stress tests demonstrate that the current available capital, in combination with available mitigation measures, would allow us to absorb the impact of these risks if they were to materialize.

The information on our regulatory own funds and own funds requirements is provided in the section 'Our Performance Indicators – Our Financial Position – Regulatory Own Funds'.

Risk Profile

The main risk drivers in our business are non-financial and strategic risk. We are, however, exposed to other forms of risk given the impact from the market, flows, and foreign exchange rates on our corporate activities.

Development of a standalone infrastructure may have material implications for our risk profile posing both strategic and operational risks. From a non-financial risk perspective, we are faced with transformation risks as we continue a multi-year project to replace core infrastructure platforms, embrace new technologies and engage with new external service providers. All transformation activities are subject to close monitoring to ensure the appropriate controls and safeguards are in place to protect our firm, employees, and clients.

Risk Framework

IFR Article 47

Risk Management Principles

IFRS 7/IAS 1

The diversity of our business model requires us to identify, assess, model, measure, aggregate, mitigate, and monitor our risks. The core objective is to reinforce our resilience by deploying a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. The following principles underpin our risk management framework:

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the risk management framework.
- Risk taken needs to be adequately priced.
- Risk should be continuously monitored and managed.

Risk and capital are managed via a framework of principles, organizational structures, and measurement and monitoring processes that are closely aligned with our business activities.

- Risk management is the core responsibility of the Executive Board which delegates to senior risk managers and the Risk and Control Committee for execution and oversight.
- We operate the three lines of defence risk management model. The three lines of defence approach and its underlying standards apply to all levels of the organization.

First line of defence: As risk owners businesses are fully accountable for the identification, assessment, and management (against a defined risk appetite) of risks that originate inside or outside their organization. Risk owners are those roles in the Group that generate risks, whether financial or non-financial. The heads of the business areas determine the appropriate organizational structure to identify their organization's risk profile, implement a risk management and control approach within their organization, take business decisions on the mitigation or acceptance of risks within the risk appetite and establish and maintain risk owner controls. For the first line of defence there is a dedicated Controls Office (i. e., Divisional Control and Business Control Officers), which focuses on a consolidated risk profile and acts as primary contact for risk management matters.

Second line of defence: The second line of defence control functions (e. g., Risk, Legal, Anti-Financial Crime and Compliance) define risk appetite for the specific risk type they control and monitor and report on the risk type's profile against risk appetite. As subject matter

experts for their risk type, they (as independent functions) advise the first line of defence on how to identify, assess and manage this risk and how to implement the risk type framework. The second line of defence control functions have as appropriate a veto authority for risk decisions to prevent risk appetite breaches.

Third line of defence is the internal audit function which is accountable for providing independent and objective assurance on the effectiveness of how the business divisions and the second line of defence control functions interact with respect to risk management.

Outlined below are core frameworks, policies, statements, and tools utilized to identify, assess, model, measure, aggregate, mitigate, and monitor our risks.

- The Group business and risk strategy and the Group risk appetite statements are approved annually by the Executive Board. In addition, Deutsche Bank Group sets the risk appetite for its Asset Management division with which we comply.
- The business and risk strategy including capital planning provides the basis for aligning risk, capital, and performance targets for regular risk and capital profile monitoring.
- Cross-risk analysis reviews are conducted throughout the firm to validate the existence of appropriate risk management practices and an awareness of risk.
- All material risks across non-financial risk, financial risk, strategic risk and sustainability risk are managed via dedicated risk management processes. Modelling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. Furthermore, we have set up a dedicated reputational risk control framework including a committee for decision making on reputational risk matters.
- We have monitoring, stress testing tools, and escalation processes for key capital and liquidity thresholds and metrics.
- Systems, processes, and policies are critical components of our risk management capability to facilitate a comprehensive view and articulate the underlying roles and responsibilities.

Risk Management

IFRS 7/IAS 1

GRI 3-3

Our activities and global operations are regulated and supervised by relevant competent authorities in each of the jurisdictions in which we conduct business.

The Executive Board is responsible for managing the Group in accordance with the law, regulations, the Articles of Association and its Terms of Reference with the objective of creating sustainable value in the interest of the Group, thus taking into consideration the interests of shareholders, employees, clients, and other stakeholders. Furthermore, the

Executive Board is responsible for establishing a proper business organization, encompassing appropriate and effective risk management and approves the strategic plan and the risk appetite statement.

The Supervisory Board is regularly informed of the Group's risk position, risk management and risk controlling activities, as well as on our reputational risks and material litigation cases. It has formed an Audit and Risk Committee to deal with risk related matters (See 'Corporate Governance Statement – Standing Committees of the Supervisory Board – Audit and Risk Committee'). At the meetings of the Audit and Risk Committee of the Supervisory Board, the Executive Board reports on key risks, risk strategy, mitigation strategies, and on matters of importance due to the risks they entail. The Audit and Risk Committee deliberates with the Executive Board on issues of the aggregate risk profile and the risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy.

The following functional committees have been set-up by the Executive Board and are central to the management of risk:

The **Risk and Control Committee** is the key committee dealing with review of and on material risk topics. It is supported by the Capital Markets Committee. The Risk and Control Committee is responsible for overseeing all aspects of risk associated with portfolios of co-invested seed capital investments.

The **Reputational Risk Committee** is responsible for oversight, coordination, and management of reputational risks. It takes preventive decisions on matters which might trigger reputational risk, in alignment with our risk appetite.

The **Strategic Investment Committee** is responsible for corporate investment decisions and principal corporate transactions (acquisition, disposals, and joint ventures). In addition, it evaluates risks associated with strategic investment decisions and monitors progress and performance of approved transactions.

The Chief Risk Officer reports to the CFO and has group-wide responsibility for the management of corporate and fiduciary risks as well as for the comprehensive control of risk, and ongoing development of methods for risk measurement. In addition, the Chief Risk Officer is responsible for monitoring, analysing, and reporting risk on a comprehensive basis. We manage our risk and capital via a framework of principles, organizational structures and measurement and monitoring processes that are closely aligned with the underlying business activities and associated risk profile. To achieve this, the Group leverages Deutsche Bank for defined risk services across several risk types, notably in terms of risk principles and

frameworks, capital models including stress testing as well as support on capital adequacy requirements, and in non-financial risks specifically where specialist skills are required. The Group control model has been designed to balance the need for alignment with our business activities, while maintaining independence and strong relationships with Deutsche Bank key control functions.

Risk Appetite and Capacity

Risk appetite expresses the aggregate level of risk that we are willing to assume within our risk capacity to achieve our business objectives. This is defined by a set of minimum quantitative metrics and qualitative statements. Risk capacity is defined as the maximum level of risk we can assume given our capital and liquidity base, risk management and control capabilities, regulatory constraints, and our obligations to stakeholders.

Risk appetite is an integral element in the strategic planning processes via our business and risk strategy, designed to promote the appropriate alignment of risk, capital, and performance targets. While considering risk capacity constraints from both non-financial and financial risks, the risk appetite for ESG risk themes including quantitative indicators has been

To define risk appetite, we set different group level triggers and thresholds on a forward-looking basis and define the escalation requirements for further action. We assign risk metrics that are sensitive to the material risks to which we are exposed, and which are able to function as key indicators of our financial health. Importantly, we link our risk management framework with the risk appetite framework.

The Risk and Control Committee, the Executive Board, and the Audit and Risk Committee are provided with the Risk and Capital Profile Report which monitors our firm's risk profile to ensure activities are within risk appetite and align to strategic objectives. If our desired risk appetite is breached, a predefined escalation matrix is applied, such breach is highlighted to the respective committees. Changes or exceptions to the risk appetite must be approved by the Executive Board.

Risk and Capital Plan

We conduct an annual integrated strategic planning process which articulates the development of the future strategic direction for the business. The strategic planning process is designed to deliver an overview of capital, liquidity, and risk under risk-return considerations. This process translates our long-term strategic targets into measurable short-to medium-term financial targets and enables intra-year performance monitoring and

The secret vegetable is



management. Risk-specific portfolio strategies complement this framework and allow for an in-depth implementation of the risk strategy at the portfolio level, addressing risk specifics including risk concentrations.

Stress Testing

Stress testing is performed on a regular basis to assess the impact of a severe macroeconomic downturn or other shocks on our capital profile and financial position. This exercise complements traditional risk measures and leverages Deutsche Bank Group's stress testing process with enhancements tailored to our risk profile as an asset manager. All material risk types which consume capital and liquidity risk are subject to stress testing. The time-horizon of internal stress tests is generally one year and can be extended to multi-year, if required by the scenario assumptions.

Risk Measurement and Monitoring

The appropriate measurement of all risks is a crucial prerequisite for robust risk management. All risks are measured quantitatively and/or qualitatively, using advanced and approved methodologies. All measurement approaches must be appropriate for the type and materiality of risk measured and must provide sufficient transparency including correlation.

Quantitative analysis allows the measurement of the potential impact (severity and likelihood) and is complemented by robust qualitative measures that are designed to ensure comprehensive coverage of all risks on a risk-based approach. All material non-financial, financial, sustainability and strategic risks, are managed via dedicated risk management processes. Modelling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. Reputational risk is implicitly covered in our economic capital framework – which is designed to ensure that we maintain an adequate capitalization to cover the risks to which we are exposed – primarily within operational and strategic risk. Established teams within Finance, Capital and Liquidity Management and Risk assume responsibility for measurement, analysis and reporting of risks while promoting the appropriate quality and integrity of risk-related data.

We monitor all risks taken against risk appetite and in consideration of risk and reward at the Group level, underlying risk type, and at the portfolio level.

The monthly risk and capital profile report is used to detail the risk profile and is presented to the Risk and Control Committee and used as the basis for regular reporting to the Executive Board and the Audit and Risk Committee. The risk and capital profile report is complemented by other standard and ad-hoc management reports maintained and produced by Risk,

Finance, and Capital a **The secret animal #1 is a** Committee and/or its sub-committees where app



the Risk and Control

We use a variety of data sources to support internal and external reporting. The risk infrastructure considers reporting at relevant legal entity and business levels and provides the basis for reporting on risk positions, capital adequacy and limit utilization to the relevant functions on a regular and ad-hoc basis.

Model Risk

Model risk is the risk of adverse consequences from decisions based on incorrect and/or misused models.

Model risk management is a core component of our risk management framework. We rely on models for investment, portfolio management, risk management, valuation, capital planning, and other purposes. The model risk management framework is in place to safeguard the interests of our clients and stakeholders as well as to fulfil regulatory requirements.

A model is defined as a quantitative method, system, or approach that applies statistical, economic, financial, mathematical theories, techniques and assumptions to process input data into quantitative estimates.

A model consists of three components:

- an input component which consists of assumptions and data
- a processing component which transforms inputs into estimates, i. e., output
- a reporting component which translates the output into useful business information

The definition of a model also covers quantitative approaches whose inputs are qualitative or based on expert judgement, provided that the output is quantitative in nature. Models used by us and covered by the model risk framework include models used for both fiduciary and non-fiduciary purposes and may either be internally developed and/or sourced from third party vendors.

Model risk appetite is designed to ensure that model risk management is embedded in our risk culture and that risks are mitigated as appropriate.

The objective of model risk management is to identify, measure and mitigate model risk. This is achieved by:

- Maintaining a robust model risk management and framework, including policies and key operating procedures with clear roles and responsibilities for key stakeholders across the model risk life cycle
- Assessing and monitoring the model control environment
- Maintaining model inventory to a high degree of integrity
- Supporting ongoing model risk assessments
- Performing independent model validations providing effective review and challenge to the model development and the appropriateness of model use
- Establishing model risk appetite and reporting standards to provide all key stakeholders with a timely and comprehensive view of model risk with actionable information
- Ensuring the model risk framework aligns to industry best practice and regulatory expectations

Sustainability Risk and Adverse Impacts to the Environment and Society

IFR Article 53

Sustainability risk is the potential negative impact to the value of an investment from sustainability factors. Sustainability factors are ESG events or conditions, including physical and transitional climate factors. Sustainability risks, including climate risks, can impact all three main areas of our risk management and control framework: non-financial risks, financial risks and fiduciary investment risks. Adverse impacts to the environment or society are defined as negative, material or potentially material effects on sustainability factors that are directly related to actions made by our Group, our employees, investee companies within our portfolios or other related stakeholders. This is also referred to as the concept of “double materiality”, which aims to describe the fact that sustainability factors are connected to two dimensions of materiality: “Financial materiality” describes the ESG-related financial and non-financial risks, whereas “non-financial materiality” describes adverse impacts to the environment or society.

To ensure effective sustainability risk identification and assessment, we have classified the impact of the identified sustainability factors under “ESG risk themes”, aggregating patterns of impact related to sustainability factors. ESG risk themes can be grouped into

- Adverse impacts
- Sustainability risk materializing as non-financial risks
- Sustainability risk materializing as strategic and financial risks

- Sustainability risk materializing as investment risks

To identify the existing risk types where sustainability factors, including climate factors, are a risk driver, in 2023 we performed a scenario-based risk assessment. During this assessment, the respective owners of key sustainability activities within the first line of defence evaluated the inherent risk of ESG related risk scenarios, and, where relevant, documented controls to reduce that risk to an acceptable level. Using this evaluation as an input, we reviewed existing risk types for both portfolio and corporate risks and determined whether sustainability factors may potentially be relevant risk factors. A first set of adverse impact types was added as an add-on to the risk taxonomy.

We aim to consider adverse impacts going forward as an additional risk dimension next to corporate (financial and non-financial) and investment (fiduciary) risks. National or regional regulations as well as existing contractual relationships may supersede the consideration of adverse impact for certain regions or asset classes.

The policy on ESG Integration in the Risk Management Framework (formerly titled Sustainability Risk Management Policy) describes how sustainability risks, including climate risks, and adverse impacts are integrated into our risk management framework. In 2023, we revised the policy in particular by amending the consideration of adverse impacts on the environment and society. This policy outlines sustainability risk and adverse impact-related definitions, how sustainability factors interact with the risk taxonomy and the risk assessment grid, as well as roles and responsibilities for the management of sustainability risk and adverse impacts.

For each group of ESG risk themes, the business and risk strategy as well as the risk appetite statement give guidance to the management of sustainability risk and adverse impacts. Four qualitative statements have been included in the risk appetite statement, one for each group of ESG risk themes mentioned above. They define the tone from the top for ESG related risk taking within our organization. Quantitative indicators have been defined related to each group of ESG risk themes.

Non-Financial Risk

Non-financial risk is comprised of operational risk and reputational risk.

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events, including legal risk. Operational risk excludes business and reputational risk.

Reputational risk means the risk of possible damage to our brand and reputation, and the associated risk to earnings, capital, or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate or unethical or inconsistent with our Code of Conduct.

Key Drivers for Non-Financial Risk

Non-financial risk is inherent to our business activities. We have embedded internal risk management and control processes and the use of risk management tools and concepts. Our integrated approach along the risk management lifecycle is designed to enable sound risk identification, evaluation, remediation, and monitoring of the key non-financial risks. Any failures related to key non-financial risks, caused by external or internal influences, could lead to material financial, regulatory, and/or reputational impacts.

Our business profile is exposed primarily to the following non-financial risks:

- **Fiduciary obligations:** As an asset manager, we face the risk that we do not comply with our fiduciary obligations to put the interests of our clients first. This requires us to balance between various interests of our clients and the economic interests of our firm to avoid undue conflicts, taking into consideration regulatory requirements, principles, contractual agreements, and specific disclosure requirements.
- **Information security:** We face the risk that our business is not sufficiently protected against information security failures, i. e., targeted cyber security attacks. The financial industry is subject to continuous elevated threat levels of cyber-attacks in the context of geo-political developments and technology advancements. Direct or indirect attacks may undermine our ability to act in a fiduciary capacity to serve our clients in a resilient way.
- **Transformation:** As our firm continues to mature as a standalone asset manager, we have elected to develop and implement a more standalone corporate infrastructure separate from our majority shareholder Deutsche Bank AG. Such decision poses both transformational risks as well as decreased time and resources for business-as-usual

operations. Deviations in expected system and process functionality or inadequate integration of associated controls may expose the firm to incremental non-financial risks.

- **Regulatory developments:** The development of new and evolving regulatory requirements for the asset management industry, for instance on ESG requirements, IT disclosures or record retention, imposes a challenge for us for timely identification, interpretation and implementation. Non-compliance with laws and regulations may expose us to material non-financial risks.
- **Service providers:** Third parties support us to successfully deliver our business operations and fiduciary obligations. The use of and dependency on our vendors has increased in recent years. Inadequate vendor oversight may adversely impact our business resiliency.

Management of Non-Financial Risk

The management of non-financial risks follows the three lines of defence approach with the aim of protecting the Group, our clients, and shareholders against risk of material financial, regulatory, or reputational damages. It seeks to ensure that all our key non-financial risks are identified and addressed, that responsibilities regarding the management of non-financial risks are clearly assigned and risks are consciously taken and managed in the most appropriate and long-term interest of our franchise, clients and stakeholders. The three lines of defence approach and its underlying standards apply to all levels of the organization.

To manage our non-financial risks, the operational risk management framework defines interrelated concepts and processes aligned to the Deutsche Bank Group framework. The operational risk management framework provides a comprehensive approach across all three lines of defence for managing the key non-financial risks across the risk management lifecycle. The approach enables us to determine our non-financial risk profile in comparison to our risk appetite, to systematically identify non-financial risk themes and concentrations, and to define risk mitigating measures and priorities. The approach to identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long-term strategic goals, and our reputation. Key concepts and processes for managing non-financial risks are loss data collection, lessons learned, scenario analysis, sustainable risk remediation tracking, transformation risk assessments and risk and control assessments. In addition, consideration of ESG driven inherent risk exposure, assessment of mitigating controls, and ESG driven residual risk has been integrated in the risk and control assessment tool implementation.

The most material risks we seek to remediate qualify as top risks and are regularly analysed, monitored and reported to senior management. Top risks are rated in terms of both the likelihood of their occurrence and the potential impact (severity) on the Group. The concept provides a forward-looking perspective on the prioritization and anticipated impact of planned

remediation and control enhancements. It also contains emerging risks and themes that have the potential to evolve into top risks in the future.

Business Continuity and Crisis Management

GRI 3-3

Our established business continuity and crisis management approach includes a crisis contact and escalation process, which is tested on a regular basis. The Executive Board retains overall responsibility for policy setting, supervision and effective implementation and has delegated responsibility for business process disruption risk to the Chief Operating Officer. As we recognize that significant business disruptions are a possibility, the business continuity management program has defined roles and responsibilities, which are designed to foster a consistent and effective approach to resiliency throughout our company and to result in an effective fit-for-purpose capability. We designed comprehensive business continuity procedures to minimize the impact of a significant business disruption, the effectiveness of which have been demonstrated through various crises. We are prepared to address adverse impacts that a pandemic, epidemic or other disasters may have on the delivery of our services. We are also capable of ensuring work-from-home for all our employees at the same time, if necessary – including portfolio management. We will maintain a risk-based approach and use the recommendations of the World Health Organization and the national health ministries, to preserve the health of our staff and clients, also to live up to our responsibility for society. Each of the core business functions and infrastructure groups maintain their business continuity plans to ensure continuous and reliable service. These plans are reviewed, updated and tested annually.

Dedicated Product Lifecycle Risk Management

We have a product lifecycle management framework that is designed to ensure that appropriate systems, processes and controls for the design, approval, marketing, management and systematic monitoring of products throughout their lifecycle are in place. This framework is designed to manage the risks associated with the implementation of new products as well as material product changes during the product lifecycle. Products and services are subject to a systematic review process to ensure that the associated risk assessment outcome and controls remain fit for purpose.

Dedicated Reputational Risk Management

We have a dedicated reputational risk management framework, which sets out the process, including roles and responsibilities, to support employees in identifying, assessing, managing, and reporting reputational risk. This process also considers ESG factors. The Reputational

Risk Committee takes preventive decisions on matters which might trigger reputational risk, in alignment with our risk appetite.

We seek to ensure that reputational risk is in line with our business strategy and overall risk profile. Reputational risk cannot be precluded and is also driven by any unforeseeable change in the perception of practices by our various stakeholders (e. g., public, clients, shareholders, and regulators). In line with our fiduciary responsibilities, we strive to balance the firm's reputational risk with the economic interests of our clients.

Financial Risk

IFR Article 47

Key Drivers for Market Risk

IFRS 7/IAS 1

Market risk is the potential for change in the value of financial instruments due to changes in market prices. We are exposed to non-trading market risk, which arises from our investments and from off-balance sheet exposures. The key risk drivers include movements in interest rates, credit spreads, foreign exchange rates, commodity prices, and equity prices. These, in turn, can be impacted by general market movements related to the economic environment or socio-political and geo-political events. The primary objective in the management of market risk is to ensure that risk exposure is within the approved risk appetite.

Market risk primarily concerns liquid seed investments, co- and illiquid seed investments, guaranteed products, foreign exchange, pension, and equity compensation, as outlined below.

Liquid seed investments: Capital is deployed to build marketable track records by providing initial funding for new liquid products initiated by us. These products include primarily exchange traded and mutual funds which invest in stocks and bonds. We execute an economic risk position offset process to minimize the profit/loss volatility of the seed investment portfolio. Liquid seed investments are typically short-term (up to three years, frequently shorter) and risk positions are broadly offset within a 6% tracking error on notional to minimize market risk. Offsetting positions are classified as derivatives on the balance sheet.

Co- and illiquid seed investments: We have co-investments primarily in fund products that invest in alternative asset classes such as real estate, infrastructure, private equity, and sustainable investments. Investments are made to ensure an alignment of interest between

fund investors and the Group and are normally held to maturity. Similar to liquid seed investments, there are also instances where seed capital is provided to launch alternative funds.

Strategic investments: Strategic investments typically have the primary objective of enhancing the franchise value by providing access, for example, to specific markets, products or exchanges. A strategic investment, therefore, has a broader strategic business objective than making a return on the investment itself.

The key risk inherent in our portfolio of co-, strategic and illiquid seed investments is the impact of an event on the value of the underlying assets potentially resulting in the need to partially impair or even fully write-off the value of an investment. Key events can include:

- **Economic environment:** Material economic downturn impacting the value of the underlying fund investments
- **Geo-political risk:** Material geo-political events impacting the value of underlying fund investments such as the US-China trade dispute or a political shift in willingness to support or subsidize certain industries such as the sustainability sector
- **Equity prices:** Impact on underlying investments of a change in equity prices in turn impacting the value of the co-investment in the relevant funds
- **Foreign exchange (FX):** Impact on reported value of investments of movements in foreign currencies relative to Euro.
- **Interest rates:** Impact of interest rate movements on funds invested in debt instruments and/or providing loans (e. g., private debt funds); wider, indirect impact of rising interest rates on investor appetite for investment in alternative funds
- **Commodity prices:** Impact on underlying investments of a change in commodity prices in turn impacting the value of investment in the relevant funds (e. g., real estate construction costs)
- **Sustainability risk and adverse impact factors:** Sustainability risk factors, including climate factors, may negatively impact investment fair value; investments may adversely affect the environment or have negative social impact
- **Idiosyncratic risk:** Market risk can also occur because of specific investment characteristics, for example operational leverage or, management quality, or fraud

Decreases in investment valuations directly impact our profits via reduction of fair value. In addition, fee income is negatively affected due to the lower asset value of the underlying fund. Furthermore, potential issues in current or future capital raising and/or reputational/ litigation risk may arise.

Guaranteed products: We manage guaranteed retirement accounts (“Riester Products”) and guaranteed funds, whereby we provide a full or partial notional guarantee at maturity. Riester guaranteed retirement accounts are voluntary private pension schemes in Germany that are government subsidized.

The guaranteed products portfolios are managed using constant proportion portfolio insurance strategies and techniques, which use a rule-based exposure allocation mechanism into highly rated assets and riskier assets, depending on market levels. This allocation mechanism between the two components is designed to limit the downside risk. Guaranteed products may invest into a wide range of equity and fixed income securities as well as other instruments permitted in the product documentation.

The risk for the Group as guarantor occurs if the net asset value of underlying funds at the respective guarantee date is less than the guaranteed amount. The respective guarantee shortfall is reflected as negative market values from derivative financial instruments. A provision is booked, aligned to the long-dated maturity of the underlying guarantees.

The guarantee shortfall is particularly sensitive to movements in the long-dated interest rate curves and can also fluctuate due to changes in:

- **Market development:** in addition to changes in long-dated interest rates, the shortfall is also impacted by changes in equity prices, volatility, and other market factors impacting the net asset value (e. g. performance of underlying assets and funds)
- **Changes in client behaviour:** e. g., decreases in cancellation rates increase the shortfall as do client contributions if made in a low interest rate environment
- **Model assumptions:** the shortfall calculation can be influenced by changes in model assumptions and the timing of the market data snapshot used

This risk is regularly monitored under different stress scenarios and client contribution and cancellation simulations. We mitigate interest rate risk as and when necessary to retain a balanced risk position in line with our risk appetite and strategic goals. The mitigating instruments include long-dated bonds, long-dated interest rate swaps or swap options.

Pension risk: We are exposed to market risk from several defined benefit pension schemes for past and current employees. The ability of the pension schemes to meet the projected pension payments is maintained through investments and ongoing plan contributions. Market risk can materialize due to a potential decline in the market value of the assets or an increase in the liability of each of the pension plans. Key risk factors include interest rates, inflation, credit spreads, and equity values. The overall risk increases with reduction in plan

contributions as plans mature, increased, or offset by changes in the longevity profile of the pensioner population.

Equity compensation risk: Equity compensation is linked to our share price and performance and so is a right way risk since liabilities will primarily only increase if the share price and relevant performance improves. We monitor and manage the resulting profit and loss volatility and enter into short-term derivatives to retain a balanced risk position as and when necessary, in line with our risk appetite and strategic goals.

Structural foreign exchange: Structural foreign exchange (FX) risk arises from subsidiaries denominated in currencies other than the functional currency of the respective entity. These positions are translated at the period end closing rate and can give rise to fluctuations in the reported value of the investments. Foreign exchange gains or losses resulting from the translation and settlement of these items are recognized in the consolidated statement of income as net gains or losses on financial assets/liabilities at fair value through profit or loss. We may selectively use instruments to offset foreign exchange exposure as and when necessary to retain a balanced risk position in line with our risk appetite and strategic goals.

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Foreign exchange: Foreign exchange risk arises from our assets and liabilities that are denominated in currencies other than the functional currency of the respective entity. These positions are translated at the period end closing rate and can give rise to fluctuations in the reported value of the investments. Foreign exchange gains or losses resulting from the translation and settlement of these items are recognized in the consolidated statement of income as net gains or losses on financial assets/liabilities at fair value through profit or loss. We may selectively use instruments to offset foreign exchange exposure as and when necessary to retain a balanced risk position in line with our risk appetite and strategic goals.

Management of Financial Risk

The above-mentioned types of financial risks are subject to dedicated approval processes which are designed to ensure that all aspects of risk, capital and funding are considered before new risk exposures are taken. For new co-investment and seed capital requests, for example, there is a clearly defined approval authority matrix dependent on the size of the capital request. Investment allocations and requests are reviewed and monitored by the Capital Investment Committee and assigned to the respective authority. The consideration of sustainability risk and adverse impacts is part of the investment approval process.

Market risk exposure is identified and captured based on our risk type framework covering equity, foreign exchange, interest rate, credit spread, commodity, and idiosyncratic risk. Risk is measured by estimating the potential losses from a particular risk type. This is usually achieved by determining the exposure, the trend and potential change in market value as well as the covariance with other relevant assets and liabilities. Established capital models tailored to our risk profile are used to calculate the capital consumption of financial risks.

When necessary, approvals are granted subject to conditions to mitigate the potential risk to the Group and its stakeholders. Such conditions can include limiting concentrations in high-risk sectors and/or geographies. One area where risk position offsetting is routinely used as a direct risk mitigation is the seed capital portfolio.

A limit structure for the Group's investments is in place with regular monitoring to ensure the risks remain within risk tolerance levels. The co-investment portfolio is also subject to bi-annual reviews at the underlying fund level to ensure the risk profile is maintained and any emerging risks are escalated where necessary. Ad-hoc monitoring and/or reviews of any aspect of the financial risk portfolio are carried out as and when required.

The risk framework for co- and illiquid seed investments has been reviewed and enhanced to accommodate our growth strategy in alternatives investments. This includes multi period risk planning, portfolio risk and attribution analysis, a refined set of limits complementing risk appetite, and control thresholds as part of risk monitoring and decision-making.

For sensitivity analyses on market risk exposures please refer to note '09 – Financial Instruments' to the 'Consolidated Financial Statements'.

Credit Risk

IFRS 7/IAS 1

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as "counterparties") exist.

As an asset manager, we do not undertake business activities that result in material credit risk. For the Group, credit risk exposure relates primarily to cash and cash equivalent positions that are placed with third party banking and financial institutions. The counterparties are monitored via market parameters, the usage of independent credit ratings, ESG signals, and proprietary credit risk assessment. The related credit risk exposure to these counterparties is aggregated and managed within appropriate limits.

To further diversify credit risk in our corporate liquidity management, other options have been used, including investing in government bonds, corporate bonds, and money market instruments.