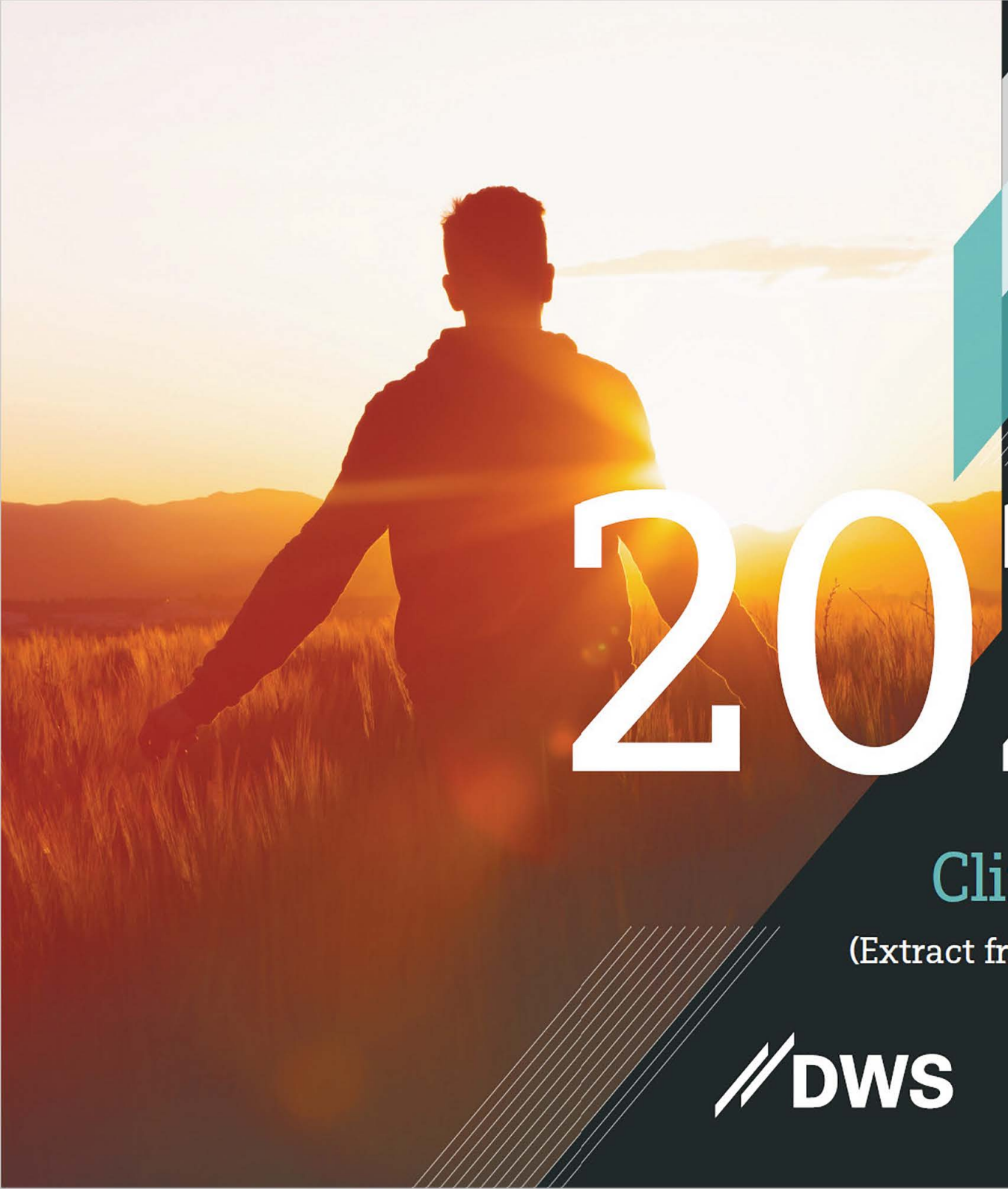


2023

Climate Report

(Extract from the Annual Report)

DWS

Content

About the Climate Report

For our 2023 Climate Report, we took our integrated reporting ambition one step further and combined the Climate Report into our Annual Report for the first time.

The structure of the Climate Report is in accordance with the four TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets. All information in this report is where feasible aligned to the agnostic and asset management specific TCFD recommendations. The data and information for the reporting period from 1 January 2023 to 31 December 2023 is sourced from our experts using representative methods. Relevant information is included up to the editorial deadline of 7 March 2024.

In accordance with IFRS 10 "Consolidated Financial Statements", the Group's consolidated financial statements include the financial statements of DWS KGaA and its subsidiaries including certain structured entities unless stated otherwise.

Our Corporate Governance Center is organised by regional focus areas to account for varying market practice standards and proxy voting operational procedures. It defines the 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. The Corporate Governance Center provides guidance and support on relevant stewardship topics to other DWS legal entities that have their own processes and policies in place. DWS Investment Management Americas, Inc., DBX Advisors LLC and RREEF Americas L.L.C. as well as DWS registered investment advisers based outside of the US who provide services to US accounts based on delegation from the above mentioned three legal entities have different processes in place and follow different guidelines.

In 2021, the UK Financial Conduct Authority published its policy statement in relation to climate-related financial disclosures to extend mandatory TCFD reporting to asset managers. Our legal entities DWS Investment UK Limited and DWS Alternatives Global Limited are in scope of this reporting obligation and will publish separate TCFD entity reports by June 2024.

Climate Reporting: The Road Ahead

GRI 2-22

Markus, you have been with DWS since November 2023, what is your view on DWS's climate reporting and what do you consider particularly important going forward?

Markus:
European companies are facing increasing sustainability-related regulatory requirements and in particular new reporting standards. These new standards reflect the greater information needs on sustainability from different stakeholder groups, currently with special focus on climate change. As such we consider climate reporting a key component in gaining a comprehensive understanding of our impact on climate change (and vice versa).

Over the last few years, we have further developed climate-related activities, enhanced governance and processes, and developed both qualitative and quantitative climate-related scenario analysis. This provides our stakeholders with a better understanding of how climate change may impact our investments. In addition our legal entities based in the EU continue to prioritise climate-related issues in their engagements with investee companies, where appropriate.

Since starting our climate reporting in 2020, we have evolved our approach to follow the Financial Stability Board's Taskforce on Climate-related Financial Disclosure recommendations.

Our climate reporting also lays the ground for our annual CDP score, which is an important sustainability KPI (key performance indicator). It sets the bar for climate leadership and helps us to identify room for further improvement of our climate-related activities.

Going forward, the emerging reporting standards from the International Sustainability Standards Board and the Corporate Sustainability Reporting Directive will raise challenges in overall reporting particularly in the area of climate issues for the downstream value chain. At the same time we welcome further regulation as it provides more clarity and security for investors and companies alike.

Dr Markus Kobler
Chief Financial Officer

Roelfien Kuijpers
Global ESG Client Officer

Sustainability regulation is becoming increasingly complex – how should we deal with these topics in a meaningful way for clients?

Roelfien:
A very important task and prerequisite for communicating with our clients on sustainability regulation is regular dialogue with regulators. This dialogue involves different regional approaches and reflects on what is, or is not, working within frameworks, such as the EU's Sustainable Finance Disclosure Regulation.

It is not only the complexity of regulation that poses challenges for all market participants, including our clients, but also the existing scope for interpretation that needs explanation and clarification. This is where our experts can provide added value for our clients.

What are the needs and expectations of clients and how do we support them in their climate transition?

Roelfien:
As a fiduciary of our clients' investments, we seek to translate climate information into comprehensible language for our stakeholders, take the data into account in our investment decisions, and support our clients in considering and acting upon climate-related opportunities and risks.

Many of our clients have either made their own Net Zero commitment or are contemplating doing so. Once these commitments are made they expect to work with their asset manager in setting realistic goals and expectations as to how a net zero commitment may impact the risk and return analysis for the portfolios and investment strategies we manage for them. This complexity requires an agreement on data sources and methodology. It is encouraging that more and more companies now set science based targets and file TCFD reports, improving both climate transition and physical risk data.

In DWS's updated sustainability strategy, the importance of engagement was emphasized – could you elaborate a bit further?

Markus:
Our ambition is to enable our clients to navigate the sustainable transformation of the real economy by providing them with investment expertise and solutions. Transformation will be key to succeed in climate risk mitigation. Therefore, we expect investee companies to gain a robust understanding of their specific climate-related risks, develop ambitious transformation strategies and provide the necessary transparency about KPIs and respective progress.

However, we need to be honest that engagement has its limits. To achieve a real transformation of the economy it is crucial that we see joint efforts of political decision-makers, regulators and society to ensure a material and functioning framework.

There are different options, though, in case engagement does not show the targeted results. One example is voting against board recommendations at Annual General Meetings. Divestment may be considered if these measures fail, however this removes our ability to positively influence the development of a company.

Why is carbon reduction particularly important for investments?

Roelfien:
Carbon emissions are by far the largest contributor to climate change as evidenced by climate science. To keep the earth's temperature to 1.5°C above pre-industrial levels by 2050 – as per the Paris Agreement – carbon emissions will have to come down significantly, and energy from renewable sources will have to grow significantly.

Decarbonization will impact all sectors of the economy. There will be winners and losers. Some companies will be impacted positively or negatively in the near term, and others may have more long-term risks, like stranded assets. It is in the best interest of our clients that we assess these climate-related opportunities and risks and manage our investments accordingly.

What are the future opportunities and challenges with regards to climate change – what is your outlook?

Markus:
In a period of heightened geopolitical tension, climate change has become increasingly politicised across the globe. For the asset management industry this is both, an opportunity and a challenge.

We need to carefully navigate the political discussion about climate change to ensure our focus remains on being a trusted fiduciary to our clients. One of the challenges is therefore to be mindful of the boundaries for our engagement and influence.

On the other hand, as an asset manager and fiduciary of our client's investments, we need to base our investment decisions on well-researched facts. Our goal is to help our clients in managing sustainable change in the real economy. To this end, we stand by them with our investment expertise and appropriate solutions.

Governance

In 2023, we further strengthened our Sustainability Governance.

We established a new Platform Sustainability function.

We allocated roles and responsibilities in relation to our key sustainability activities.

TCFD Recommendations

a) Describe the board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Governance

GRI 2-12; 2-13; 2-14; 2-17; 2-18

Introduction

We aim to incorporate the management of climate-related opportunities and risks throughout our organisation. While we aim for a global approach, local regulations and standards as well as stakeholder expectations shape how we implement climate-related opportunities and risks in different regions. The Executive Board aims to work with relevant stakeholders to ensure that climate and sustainability issues are incorporated throughout our value chain in accordance with local regulations. Material climate-related issues are presented to the Executive Board as necessary and appropriate. Furthermore, the Executive Board is provided with regular updates on discussions held by the Group Sustainability Committee.

Central Roles and Responsibilities

Executive Board

The Executive Board has overall responsibility for managing our business activities with the objective of creating long-term value. This includes the management of sustainability-related opportunities and risks. It is responsible for approving our sustainability strategy, targets and KPIs. It also signs off on group-wide external sustainability disclosures and is responsible for embedding ESG criteria in the remuneration framework.

In 2023, the Executive Board reviewed various climate-related topics, including the approval of our updated sustainability strategy and the discussion of our net zero approach.

Our Supervisory Board advises and maintains oversight of the Executive Board's activities, including those relating to climate matters.

Group Sustainability Committee

The Executive Board has delegated its authority for the implementation of the sustainability strategy to the Group Sustainability Committee. The Committee is mandated with implementing the sustainability strategy as approved by the Executive Board on both fiduciary and corporate levels across all divisions and legal entities.

This includes facilitating sustainability-related discussions, overseeing climate-related opportunities and risks, and allocating further responsibilities with regards to sustainability activities across the organisation.

In 2023, decisions made by the Group Sustainability Committee included the approval of an execution program for our updated sustainability strategy and adjustments to our ESG product filters. Furthermore, the Group Sustainability Committee designated roles and responsibilities for key sustainability activities across the organisation.

The Group Sustainability Committee is chaired by the Head of the Product Division, who is a member of the Executive Board, and has representation from all divisions and relevant infrastructure functions. Relevant legal entities are regularly informed about discussions and decisions of the Group Sustainability Committee. This includes DWS Investments UK Limited to support their climate governance under the Financial Conduct Authority UK TCFD rules.

Risk and Control Committee

The responsibility for approving key risk management principles, risk appetite metrics, and thresholds related to sustainability risks and adverse impacts has been assigned to the Risk and Control Committee.

Further information on governance of climate-related risks, including relevant policies and details on how climate change is managed within our risk function, can be found in the sections 'Strategy' and 'Risk Management' of the Climate Report, as well as the 'Risk Report' in the 'Summarised Management Report' of the Annual Report 2023.

Reputational Risk Committee

The Reputational Risk Committee is responsible for evaluating and monitoring matters which might trigger potential reputational risk.

Sustainability Oversight Office

The Sustainability Oversight Office supports the Group Sustainability Committee with its activities and aims to ensure effective sustainability governance. This includes maintaining oversight of our key sustainability activities and managing the sustainability strategy execution program. In addition, the Sustainability Oversight Office is responsible for our central sustainability training framework.

Platform Sustainability

To further strengthen our sustainability governance structure and adequately respond to a continuously evolving regulatory environment, we established a new Platform Sustainability function in October 2023 within the Product Division. This function coordinates and steers the implementation of our sustainability strategy as well as sustainability-related regulatory requirements within the Investment and Product Divisions with a focus on the liquid product range.

Sustainability Strategy

The Sustainability Strategy team supports the Chief Executive Officer in developing the sustainability strategy and ensures that it is embedded in our wider corporate strategy.

Sustainability Risk

The Sustainability Risk team, which is part of the Chief Risk Office, is responsible for integrating sustainability risks and adverse impacts on the environment and society into our risk management framework. Sustainability risk formulates our ESG-related risk strategy and develops qualitative risk appetite statements and corresponding quantitative indicators relating to identified ESG themes.

ESG Advisory Board

The ESG Advisory Board advises the Executive Board on a range of long-term sustainability trends, challenges, and opportunities. It consists of internationally recognized sustainability experts from diverse disciplines. During 2023 the ESG Advisory Board met three times and amongst others covered the following topics:

- our sustainability strategy,
- ESG engagement,
- biodiversity,
- clean energy financing.

No changes were made to the composition of the ESG Advisory Board in 2023.

Divisional Sustainability Governance

Investment Division

The Investment Division has responsibility for the integration, where required by policy, of sustainability factors and sustainability risks, including climate-related opportunities and risk, in the investment process. The CIO Office for Responsible Investments supports such integration for the investment platforms for Active, Passive including Xtrackers, and Alternatives.

The Chief Investment Office is responsible for monitoring developments and delivering market and economic views, including those relating to sustainability, to internal and external stakeholders via our CIO view publications and the internal CIO daily newsletter.

Product Division

The Product Division is responsible for processes along the lifecycle of products, ranging from product-specific strategic planning processes over the development and launch of products to the administration and steering of the product suite. The Head of the Product Division oversees climate-related topics in the launch of new products and manages the product suite in a way that both aligns with our sustainability strategy and reflects client demand.

Dedicated ESG product teams support our investment teams and external clients in providing ESG and climate-related information, analysis, and investment solutions.

Client Coverage Division

The Client Coverage Division markets investment products and provides advice to our clients on suitable investment solutions. These include delivering sustainable and climate-related investment strategies, as many of our clients seek sustainability-oriented and climate-related investments. Across the Client Coverage Division, 25 so-called “ESG Ambassadors”, across all regions and client segments, continuously discuss sustainability trends and developments, and how these may impact our clients. The information is then shared with the wider Client Coverage Division organization. These ambassadors are guided by the Global ESG Client Officer and they work closely with the investment professionals and product experts to communicate sustainability-related information.

Executive Division

In addition to the Sustainability Strategy team within the Corporate Strategy and M&A function, our Communications, Brand and CSR team is responsible for the management of our sustainability-related communication, corporate marketing, and CSR activities.

Chief Financial Office Division

Within the Chief Financial Office Division, four functions are responsible for sustainability-related matters: the Sustainability Oversight Office, the Sustainability Risk team (both described above), the Finance Sustainability team, and Procurement.

The Finance Sustainability team is responsible for managing all regulatory-driven group sustainability disclosures, including the Climate Report. It is also responsible for sustainability ratings, including the CDP questionnaire, and the tracking of sustainability KPIs.

In line with requirements for the management of human rights- and environment-related risks in our supply chain, Procurement is responsible for implementing the criteria for evaluation of new vendors, standards in contract terms and the assessment of vendor risk ratings. For more information, please see the section 'Summarised Management Report – Our Responsibility – Human Rights' in the Annual Report 2023.

Chief Operating Office Division

The Chief Operating Office Division leads our objective to achieve operational net zero. For further details please refer to the section 'Becoming and Maintaining Operational Net Zero'.

Chief Administrative Office Division

The Chief Administrative Office Division has set up an ESG Change Programme that supervises and coordinates the implementation of selected sustainability-related regulatory requirements in relevant DWS divisions. In addition, Legal and Compliance advise on legal and regulatory issues in the context of sustainability, and Human Resources is responsible for the incorporation of sustainability-related KPIs in our compensation framework.

Climate Competence

In line with Suitability Guidelines, our Supervisory and Executive Boards periodically self-assess their ongoing suitability individually and collectively including their knowledge of ESG risks and knowledge of regulation, principles, and frameworks for Environmental, Social and Corporate Governance.

Our Executive Board members' individual expertise on sustainability-related matters reflects experience gained in roles involving climate-related topics and membership in governance bodies responsible for managing climate-related issues.

Compensation

We consider sustainability an integral part of the compensation system for both the Executive Board and all employees. A portion of the annual variable compensation is determined based on the degree of achievement of specific sustainability targets, including climate-related indicators. Further details on our compensation systems are disclosed in the 'Compensation Report' in the Annual Report 2023.

Strategy

We published our Net Zero Annual Disclosure via CDP.

We reported a cumulative reduction of 5.2% in the inflation-adjusted WACI.

We updated our scenario analysis using MSCI Climate VaR to analyse impacts of climate change on our portfolios.

TCFD Recommendations

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Strategy

GRI 201-2

Introduction

In 2023, we updated our sustainability strategy and refined our sustainability priorities. Climate change remains the core theme of our updated sustainability strategy. Climate change poses one of the most significant risks to the planet, humanity and the global economy. According to the World Economic Forum's Global Risks Report 2024, climate change is identified as one of the four "structural forces" that are making the world less stable.

Furthermore, our annual materiality assessment in accordance with the Non-Financial Reporting Directive identified climate change as a material topic.

To mitigate climate change, transformational change is required across all parts of the real economy. Both, as a corporate and trusted advisor to our clients, we have a critical role to play in supporting the transformation to a more sustainable future. This transformation will require decisive action by numerous stakeholders and enormous investment.

Our ambition is to enable our clients to navigate the sustainable transformation of the real economy by providing them with investment expertise and solutions.

Our sustainability strategy is built around three priorities:

1. Focus on climate-related investing
2. Strengthen engagement with investees and other relevant stakeholders
3. Advance our own corporate transformation.

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 and stewardship activities.

For further information please refer to the Annual Report section 'Summarised Management Report – Our Strategy and Our Market – Our Strategy'.

Our Approach to Address Climate Change

For the world to reach net zero by 2050 the necessary transformation will have implications across the global economy, including changes to business models, and may create significant new investment opportunities. The road ahead is challenging, and all stakeholders – governments, regulators, financial institutions, businesses, investors, and broader civil society – need to be involved (including global asset managers such as ourselves), to facilitate and finance this transformation.

Our ambition is to become climate neutral by 2050 in line with the Paris Agreement. Following on from this, as a founding signatory to the NZAM, in 2021, for certain in-scope assets under management we have set concrete net zero interim targets for 2030. Details on the measures taken can be found in the sections 'Our Progress towards Portfolio Net Zero' and 'Becoming and Maintaining Operational Net Zero'.

We recognise the challenges associated with the implementation of a strategy where the benefits are long-term (2050), but where most of the action needs to be taken in the near future. We also acknowledge that there is not yet a perfect framework to enable the conversion of long-term climate-related risks into medium-term financial risks. Furthermore, there are challenges and limitations of data, regulation, reporting and resources. We do know there are long-term effects associated with climate change and that the world is best served by an agreed decarbonisation strategy. We are aware that there are several paths to a decarbonised economy and that we require the development and commercialisation of technologies and/or much higher carbon prices.

How We Identify Climate Risks

The definition of sustainability risk, contained in the Annual Report section 'Summarised Management Report – Risk Report', includes climate-related risks. Like other sustainability factors, climate factors – including physical and transitional climate risk factors – can impact all three main areas of our overall risk management and control framework: non-financial risks (operational and reputational risks), financial risks and fiduciary investment risks. More information on climate-related risk factors can be found in the section 'Risk Management'.

As described in the Annual Report section 'Summarised Management Report – Risk Report', we have reviewed existing risk types for both fiduciary and corporate risks and determined whether sustainability factors may potentially be relevant risk factors. A summary of selected climate-related risks which may have a substantive financial or strategic impact on our business, is provided in the table labelled 'Selected climate-related risks'.

Financial and strategic impact on our business is measured using a risk assessment grid. This grid has two dimensions, impact and likelihood. Impact on our business is measured according to three elements: regulatory compliance, reputation, and profit or loss. The risk level is then determined as a combination of likelihood and impact.

We have also defined the following time horizons:

- Short-term: 1 year
- Medium-term: 1-5 years
- Long-term: >5 years.

We recognise that sustainability risks, including climate risks are inherent to overall business activity and are considered integral to our strategy.

Selected climate-related risks

Risk	Description	Time horizon
Strategic risk: Decreased revenues due to reduced demand for products and services from changing customer behaviour	It is expected that the changes in the regulatory environment, client perceptions, expectations for ESG and climate-related products will continue to evolve. As such, the most significant strategic risks are that our strategic ambition falls short of such developments or that whilst we set a strategy which includes such changes we fail to deliver on our strategic ambitions.	Short-term
Reputational risk: Negative press or NGO coverage related to support of projects or activities with negative impacts on the climate (e. g., GHG emissions, deforestation, water stress)	Given the strategic relevance of ESG within our corporate strategy, any ESG and climate-related incident may have significant implications for our reputation and may mean that our sales partners stop selling our products.	Short-term
Policy and legal risk: Weak governance may lead to a failure to meet ESG and climate-related regulatory requirements	We may fail to identify or adequately implement ESG and climate-related regulatory requirements within the investment, control, or disclosure processes. Regulatory risk may result from non-compliance with ESG and climate-related regulatory requirements.	Short-term
Policy and legal risk: Regulatory risk if we consider ESG and climate criteria in investment decisions	There may be jurisdictions in which we could face sanctions or fines if ESG and climate criteria are being considered in investment decisions or investments in fossil fuel companies are being discontinued, based on the assumption of a potential negative impact on returns. Conversely, failure to reach stated non-financial (including climate-related) objectives of individual products, could also lead to litigation risk	Short-term
Non-financial risk: Risk of inaccurate, misleading, or non-disclosure of ESG or climate-related information	We publish ESG and climate-related information in regulatory and non-regulatory external reporting at product and corporate level, in marketing materials and in other types of communication with clients or the public. In case of inaccurate, misleading, or non-disclosure of such information, we face substantial reputational and regulatory risk. This also includes the risk stemming from processing incorrect ESG-related data, giving its increasing relevance in regulatory and client reporting.	Short-term
Market risk: Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets	Liquid product range – climate-related portfolio transition risks are events or conditions related to climate transition factors, the occurrence of which can have a real or potentially significant negative impact on the assets and liabilities, reputation or revenues of any investment or investee contained in a portfolio we manage.	Medium-term
	Illiquid product range – assets in our portfolios can be exposed to physical risks that arise both from extreme weather events (e. g., floods, storms, forest fires) and to long-term changes in climatic conditions (e. g., frequency of precipitation, weather instability, rise in sea level). Assets can significantly reduce in value, become damaged, or even destroyed. In addition, transition risks can arise in connection with the switch to a low-carbon economy. Political measures can lead to higher energy prices or high investment costs due to the required refurbishment of real estate, e. g., due to city, national or regional legislation to increase the energy efficiency of buildings. Transitional risks can also lead to a fall in demand for emission-intensive assets.	Long-term

Our Approach to Measuring Climate-Related Risks

We employ climate scenario analysis to evaluate the potential risks and opportunities related to climate change in our portfolios.

Our chosen scenarios encompass a global temperature increase ranging from +1.5°C to +5°C. The evaluation, utilizing data from the MSCI Climate Value-at-Risk (CVaR) model, serves as the foundation for assessing the potential impact on our current investments. These scenarios include various temperature rises and integrate assumptions regarding government regulations, macroeconomics, energy systems, land use, business operations, technology advancements, and physical properties.

The identified risks and opportunities are categorized into two primary types: transition risks and physical risks. Transition risks and opportunities focus on the repercussions of policy shifts aimed at fostering a more sustainable economy. This includes potential cost increases for companies and also emerging business opportunities associated with the adoption or development of low-carbon technologies and climate solutions. In this context, we refer to the former as “policy risks” and the latter as “technology opportunities”. Climate change will also alter the intensity and the frequency of chronic (slow to manifest risks) and acute (natural catastrophes) physical hazards, resulting most likely in financial impact for companies and their investors. These effects are classified as “physical risks”.

The potential financial impacts on our investments from policy risks, technological opportunities, and physical risks are evaluated in our scenario analysis. Subsequent sections will elaborate on the nature of these risks and opportunities and the potential impact on our investment portfolios. Scope of the analysis is based on our listed equities and corporate bonds investment holdings.

Key Drivers of Transition Risks and Opportunities

Transition risks and opportunities indicate the potential financial consequences for companies due to policy shifts and specific climate trajectory assumptions. For the basis of our analysis, we have selected different climate pathways to 2050 resulting in global warming outcomes ranging from +1.5°C to +3°C. Within these scenarios, the trajectories of greenhouse gas (GHG) emissions and the associated carbon pricing assumptions are crucial input factors.

Policy risks are assessed based on an investee's GHG emissions across the entire value chain. The required carbon price trajectories are modelled considering the intensity and timing of fiscal and regulatory measures. Companies involved in the development of low-carbon technologies may benefit from more stringent climate policies and the potential emergence of growth opportunities. The primary metrics for assessing technology opportunities at the company level are investees' clean-tech revenues and patents, providing insights into research and development investments. However, the models do not consider any company reduction targets. Furthermore, the models and their input parameters make various assumptions, including the assumption that current innovators will also be tomorrow's innovators, but they overlook the unpredictable nature of how companies might evolve in response to upcoming climate-related risks and subsequent opportunities.

Key Drivers of Physical Risk

The anticipated global temperature rise is expected to amplify the frequency of severe weather events, such as intense heatwaves, major storms and floods. In our assessment, we primarily focus on two types of economic impacts on our investees: business interruption and physical damage. For this we are leveraging scenarios with a horizon until 2100.

The degree to which our investees are exposed to physical risks depends on the sensitivity of their business to such factors. One crucial aspect is the geographical location of company properties and business operations.

Evaluation and Analysis

The MSCI CVaR model incorporates relevant regional, sectoral, and company-specific factors, as well as climate pathway assumptions tailored to assumed temperature increases. The inherent complexity of climate systems and their impact on micro- and macroeconomics introduce a substantial degree of uncertainty in determining the implications for our investees’ financial valuations. Additionally, the response of investees to policy shifts and physical climate change is not entirely predictable and not part of the modelling. In 2023, MSCI released a major enhancement for the climate transition risk model resulting in an overall increase of transition scenario risks across their universe of constituents; the model change had a pronounced impact on the estimated technological opportunities (i. e. the potential upside), while the impact on expected policy risks was limited.

The analysis should be regarded as guidance and a tool for relative value analysis on how climate change might impact sectors, regions, or asset classes under certain assumptions, rather than as an exact prediction of valuations of individual investments or portfolios. We recognise that there are critiques on the limitations and assumptions of climate scenario modelling practices in financial services. For instance, climate scenarios may not reflect many of the most severe impacts we can expect such as tipping points. We will continue to monitor the development of climate scenario methodologies.

Transition Risks and Opportunities – by Sectors and Regions

The two heatmaps below illustrate policy risks and technology opportunities under an orderly climate transition pathway for a 1.5°C temperature rise. In orderly transition scenarios, it is assumed that climate change policies are implemented early in a globally coordinated manner and gradually intensify over time. Disorderly scenarios assume late and divergent policies across regions and sectors.

Policy risks are expected to be more material for carbon-intense industries, such as energy, utilities, and materials. However, sectors showing high policy risks also demonstrate higher potential in technology opportunities that may be leveraged by early adopters of policy changes. Asia-Pacific and Europe are estimated to benefit slightly more from adoption of low-carbon technology in most sectors compared to other regions of the world.

Aggregated Climate Value-at-Risk under the +1.5°C orderly scenario (Net Zero 2050) coming from policy risk (top heatmap, darker colour equals increased downside risk) and technology opportunity (bottom heatmap, darker colour equals increased upside potential)

Policy Risk under +1.5°C Orderly Scenario	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Subtotal by region
Asia-Pacific												
Europe												
Middle East/Africa												
North America												
South/Central/Latin America												
Subtotal by sector												

Technology Opportunities under +1.5°C Orderly Scenario	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Subtotal by region
Asia-Pacific												
Europe												
Middle East/Africa												
North America												
South/Central/Latin America												
Subtotal by sector												

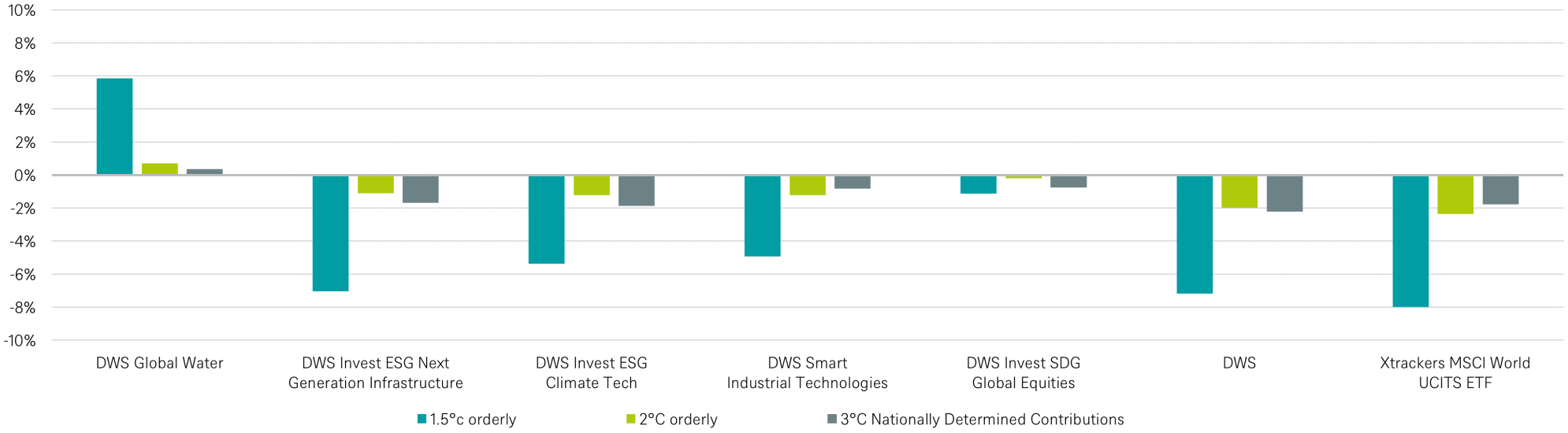
Source: DWS analytics on BRS Aladdin and MSCI Climate VaR data; as of 31 December 2023.

Transition Risks and Opportunities – Selected Strategies

The following chart compares selected thematic funds managed by DWS, the aggregated view on our holdings and a representative global equity market index (MSCI World Index).

The scenario results indicate that certain of our thematic fund strategies might benefit under specific transition scenarios from increased exposure to potential early adopters of policy changes and technological opportunities, in comparison with the broader equity market and also our aggregated weighted average holdings.

Aggregated Climate Value-at-Risk under 1.5°C orderly, 2°C orderly, 3°C Nationally Determined Contribution scenarios until 2050 resulting from climate transition risks for selected DWS funds, aggregated DWS Group assets and Xtrackers MSCI World ETF



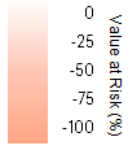
Source: DWS analytics on BRS Aladdin and MSCI Climate VaR data; as of 31 December 2023.

Physical Risks by Sector and Region

For scenarios with a substantial temperature increase, physical climate risks are expected to have the most significant impact. The heatmap below shows the potential physical risks under an extreme but unlikely 5°C transition pathway until 2100. It indicates that regions such as Asia-Pacific and Latin America could face more severe consequences from extreme climate events than other regions. The impacts include reduced labour availability and productivity, as well as asset damages. Capital-intensive industries, such as utilities and energy – especially those with production facilities in coastal areas – are likely at greater risks of suffering from acute climate events like flooding and tropical cyclones.

Aggregated Climate Value-at-Risk under the +5°C scenario until 2100 resulting from physical risks (by sector and region)

Physical Risk under +5°C scenario	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Subtotal by region
Asia-Pacific												
Europe												
Middle East/Africa												
North America												
South/Central/Latin America												
Subtotal by sector												



Source: DWS analytics on BRS Aladdin and MSCI Climate VaR data; as of 31 December 2023.

How the Results from Our 2023 Climate Scenario Analysis Influenced Our Strategy

The 2023 Climate Scenario Analysis has been presented to internal stakeholders and the GSC for consideration in the update of the product strategy.

Furthermore, the Climate Value-at-Risk results from a 1.5° Policy Risk scenario constitutes one component of our proprietary Climate Transition Risk Assessment. This assessment serves as one of the references for active portfolio managers and is factored into the product filters as a basis for exclusion criteria for those products which apply such criteria.

How We Incorporate Climate Change Considerations in Our Investment Process

GRI 203-1

Active

Our global ESG Integration Policy for Active Investment Management and related policies include special emphasis on climate-related risks, measured by our proprietary Climate and Transition Risk (CTR) assessment. The CTR assessment highlights potential risks and opportunities associated with carbon emissions and water usage. The CTR assessment and other climate-relevant information are made available to our Active investment professionals via the DWS ESG Engine, which covers most listed asset classes and uses data from five leading commercial ESG data providers. Furthermore, our CTR assessment is a building block for managing climate-related risks and opportunities for our investments, provides climate information to our engagement leads and assists the Corporate Governance Center in its proxy voting process.

Our investment professionals are expected to be aware of material exposure to climate change risks and opportunities, and to act in line with internal processes as well as legal and contractual obligations. The sustainability risk team regularly assesses funds' exposures to ESG laggards related to climate transition risk and reports the results to the asset class and product management heads. On a quarterly basis Risk Management reviews the results of the monitoring activities, risk appetite changes and, if necessary, escalates to senior representatives of investment and product management. More details on the sustainability risk governance framework can be found in the 'Risk Management' section of our Annual Report.

Passive (including Xtrackers)

Xtrackers products do not implement additional climate-related criteria other than those present in their underlying indices, if applicable. This is because taking substantial tracking error would violate our fiduciary duty with regards to adequate risk management. However, the Xtrackers team worked actively with index providers in the development of climate-related indices tracked by, amongst others, exchange traded funds. For further details please refer to the section titled 'How We Incorporate Climate Change Considerations within Our Products'.

Alternatives

For most of the alternative asset classes, climate change risk is managed in accordance with an environmental and social management system. It aims to assess and manage ESG risks, including climate change risks across the investment life cycle for the underlying portfolio assets.

Details for our Real Estate and Infrastructure business can be found below. For information on our Sustainable Investment platform, please refer to the Annual Report section 'Summarised Management Report – Our Responsibility – Our Investment Approach'.

Real Estate

Resilience, encompassing efficiency and adaptation, is one of the four strategic sustainability themes within the real estate business. From a fiduciary standpoint, we identify and manage transitional and physical risks from climate change.

Transitional risks and opportunities can arise from the switch to a low-carbon economy and are related to energy and carbon efficiency of buildings. Exposure is assessed primarily using Carbon Risk Real Estate Monitor pathways including energy efficiency and carbon emissions compliance to relevant regulations. Real estate can be exposed to physical risks that arise from individual extreme weather events and in relation to long-term changes in climatic conditions. The climate-related risks are estimated utilising the Standard&Poor's Global Trucost tool and supplemented with asset-level assessment of a building's resilience.

Sustainability-related factors, including the above climate risks, are considered at each stage of the investment process, directly informing acquisition, asset management and disposal decisions. Identified actions are assessed against accretive returns, investment objectives and integrated in sustainable asset management plans.

Sustainability due diligence is completed prior to acquisition, and delivered through two screening phases: initial and advanced screening, assessing, among other factors, asset's resilience to both transitional and physical risks. The findings are presented to the investment committee, and include found issues, necessary actions and underwriting.

Following acquisition, asset and portfolio managers monitor sustainability performance not only to ensure proper risk mitigation but also to actively seek opportunities to add value as part of ongoing business planning. Annual asset sustainability action plan is based on achieved performance and consequent asset and portfolio risk profile review, portfolio investment plan including asset holding period, and portfolio sustainability strategy objectives.

Infrastructure

Infrastructure Equity

We seek to incorporate environmental considerations into the infrastructure business investment framework 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 environmental attributes such as carbon footprint and water usage of the investments through the regular reporting of KPIs by portfolio companies, and through completion of the annual Global Real Estate Sustainability Benchmark (GRESB)-Infrastructure benchmarking assessment at both fund and asset level. Due diligence includes climate-related considerations and is incorporated into the Investment Committee paper and presented to the Investment Committee for consideration.

The infrastructure business also produces an annual Sustainable and Responsible Investment report for investors in each of its funds. This report addresses ESG issues for the fund's underlying investments and in 2023 the report included information aligned with TCFD for each investment. For 2024, this information aims to be further developed to include scenario analysis.

During 2023 we have updated the environmental and social management system under which the business operates to reflect changes in the ESG environment and to strengthen our procedures. The environmental and social management system has also been updated to reflect our obligations under the SFDR and investor requirements. It applies to all potential and existing portfolio investments in infrastructure equity. It also creates a process for regular engagement with portfolio companies on ESG matters and creates a framework for their regular reporting to us.

Infrastructure Debt

The Infrastructure Debt business uses a bespoke proprietary ESG scoring methodology, which has been rolled out to new and existing investments since 2021. The methodology supports the overall investment process and ongoing monitoring of environmental risks of the infrastructure debt portfolios among other ESG risks.

How We Incorporate Climate Change Considerations within Our Products

Active

In 2023 we continued to manage our suite of EU- domiciled actively managed mutual funds that promote environmental or social characteristics and report under Article 8 SFDR. For example, the DWS European Net Zero Transition fund, which previously reported under Article 6 SFDR, changed its investment strategy to focus on companies with decarbonization targets and now reports under Article 8 SFDR. In addition, we have launched DWS Invest Conservative Sustainable Bonds that focuses on projects with environmental, climate benefits and/or other sustainability or ESG themed projects (i. e. Green Bonds, Social Bonds, Sustainability Bonds), that have the goal of contributing to one or several UN SDGs, and reports pursuant to Article 9 SFDR.

A large proportion of our actively managed mutual funds in the EU apply one of two ESG filters: the "DWS Basic Exclusions" filter or the "DWS ESG Investment Standard" filter, which are described in detail in the Annual Report section 'Summarised Management Report – Our Responsibility – Our Product Suite'. By applying these ESG filters to our European domiciled actively managed mutual funds, climate and transition risks are considered as part of the investment process.

Both filters exclude issuers with excessive climate risk profiles by screening issuers for the Climate and Transition Risk Assessment. By applying this screening as part of the filter methodology, Principal Adverse Impact Indicator #4 (PAII 4) – the exposure to companies active in the fossil fuel sector – is considered. Funds applying the "DWS ESG Investment Standard" filter also consider the following indicators: the GHG emissions of a company (PAII 1), its carbon footprint (PAII 2) as well as its GHG intensity (PAII 3).

Passive (including Xtrackers)

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 reporting under Article 8 SFDR. This expansion of the product range included additions to ranges of Climate Transition and Paris-Aligned ETFs, in line with the relevant EU Climate Benchmark Delegated Regulation as part of the EU Sustainable Finance Action Plan to promote investment in companies with lower CO_2 emissions. The Climate Transition ETF range tracks indices which, amongst other criteria, target a 30% reduction in carbon intensity versus the corresponding broad market index,

while the Paris-Aligned ETF range's indices target a 50% reduction. Both ranges' indices also incorporate a seven per cent year-on-year reduction in carbon intensity.

Alternatives

In Alternatives, we have funds addressing climate mitigation and other climate change-related topics. We are also developing climate-related strategies focusing on dedicated as well as transitional assets within our real estate and infrastructure business, following our track record in investing in green buildings and green infrastructure assets.

In April 2023, we launched a new European infrastructure investment strategy offering German retail investors the opportunity to invest in infrastructure projects in Europe. The strategy focuses on renewable energy projects. The fund made its first investment in August 2023 through the acquisition of one of the largest solar parks in Germany.

In addition, we developed a complementary strategy to our flagship European mid-market infrastructure equity fund series focusing on investments in decarbonization, digitalization and social infrastructure.

Active Ownership

Active Ownership as Part of Our NZAM Commitment

In 2023, we identified a number of investee companies for net zero thematic engagement based on several climate-related criteria including their contribution to the overall weighted average carbon intensity (WACI) of our net zero in-scope portfolios, involvement in thermal coal activities, and the lack of a commitment to the Science-based Targets initiative (SBTi). The entities whose investee companies are in scope for net zero engagement are DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and DWS CH AG.

Active Ownership in US and EMEA

We have two regional corporate governance and proxy voting policies and processes in place. One for the three pooled legal entities in EMEA (DWS Investment GmbH, DWS International GmbH, DWS Investment S.A.) and one for DWS in the US (DWS Investment Management Americas, Inc., DBX Advisors L.L.C., RREEF Americas L.L.C. and DWS registered advisors), due to different market and regulatory practices. The entities whose investees companies are in scope for engagement are DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and DWS CH AG.

Proxy Voting in the US

In the US, DWS has adopted policies and guidelines to ensure that proxies are voted in the best economic interest of their clients, as determined by DWS in the US, in good faith after appropriate review. DWS believes that profitability and responsible management of ESG factors complement each other in many ways, leading our business in the US to apply ESG criteria when evaluating shareholder proposals. Moreover, the Proxy Voting Policy and Guidelines considers the Coalition for Environmentally Responsible Economies (CERES) recommendation on environmental matters contained in the CERES Roadmap for Sustainability, as well as the recommendations of Institutional Shareholder Services Socially Responsible Investment Policy on sustainability issues.

The Proxy Voting Policy and Guidelines takes climate accountability into consideration when evaluating the election of certain directors of companies that are significant greenhouse gas (GHG) emitters:

Climate Accountability – For companies that are significant greenhouse gas (GHG) emitters (i. e. companies on the current Climate Action 100+ Focus Group list), through their operations or value chain DWS's policy is to generally vote case-by-case on the election of the

incumbent chair of the responsible committee (or other directors) in cases where it is determined that the company is not taking the minimum steps needed to understand, assess and mitigate the risks related to climate change to the company and the larger economy which may lead to regulatory risks.

Active Ownership for the Pooled Legal Entities in EMEA

For holdings in scope of our EMEA Corporate Governance and Proxy Voting Policy and engagement framework, research analysts set engagement targets for investee companies which are selected for engagement in order to meet sustainability goals.

We evaluate each company individually when voting at shareholder meetings and we try to generate sustainability outcomes via direct dialogue with investee companies, which are selected for engagement.

Measures to Address Climate Issues in Our Investments

Boards of investee companies are responsible for proper oversight of material climate matters and should be held accountable if they fail to do so. In 2023, we continued to raise important issues in connection with sustainability with questions at mainly virtual shareholder meetings. We raised questions at a total of 70 shareholder meetings, where we focused in part on decarbonisation plans, with particular scrutiny on target setting for the material scopes of emissions.

Considering Climate Risk within Proxy Voting and Engagement Activity

Although the degree of exposure to climate-related risks may vary across sectors and assets, we expect the board of an investee company to develop a robust understanding of company-specific risks and how to mitigate them. Companies that face substantial climate-related risks, should accelerate their efforts in setting ambitious targets and provide enhanced transparency on their long-term climate strategy.

We expect companies to follow broadly established standards for disclosure and transparency such as the TCFD recommendations and to comply with and report on frameworks such as the UN Global Compact Principles, CDP, PRI, and the SDGs.

Our voting on climate issues includes:

- Voting on shareholder proposals that are explicitly climate-focused, such as GHG reduction targets or reporting.
- Holding boards accountable when we believe they do not adequately manage climate risks.
- Voting on executive remuneration policies and reports, which do not incentivise addressing climate risks and opportunities.

We continue to operate within our engagement framework which aims to define and track sustainability outcomes for our investees for DWS Investment GmbH, DWS International GmbH, DWS Investment S.A. and DWS CH AG (engagement for DWS CH AG only covers fixed income investments).

Our net zero thematic engagement programme was launched in 2021 as part of our commitment to the NZAM. In 2023, we updated the criteria to identify investee companies for net zero engagement. The updated list considers the investee companies' SBTi target verification status, involvement in thermal coal activities, as well as their contribution to the carbon intensity of our portfolios (covering approximately 70% of the overall WACI of the assets under management in-scope for our interim net zero target). We sent a net zero letter to 80 companies which were either not previously part of our thematic net zero engagement programme or had not responded to our previous net zero letter. The engagement letter is available on our website (https://www.dws.com/en-gb/solutions/sustainability/corporate-governance/).

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

In 2023, we voted against the re-election of directors at 27 companies which did not respond to our net zero engagement request.

Following the publication of the DWS Coal Policy in 2023, we sent a letter to 27 companies and invited them to engage with us and requested that they accelerate their phase out of thermal coal and publish transition plans by the end of 2025 at the latest.

Engagement Case Study

We initiated a thematic engagement with a German chemical company by sending our net zero letter articulating our expectations in 2022. During this call we discussed the CO_2 emission reduction targets that the company had already set, our wish that the company achieves science-based verification of the targets, as well as options for setting interim targets to signal significant milestones and increase transparency of how the company will achieve its targets. In 2023, we held a follow-up engagement to discuss progress towards the previously established engagement objectives, as well as to discuss further engagement objectives.

Key takeaways from the discussion:
In 2023, the company demonstrated positive progress in the reduction of its scope 1 and 2 GHG emissions and is ahead of schedule to reach its targets in respect of a linear reduction. In addition, the company submitted its 2030 reduction targets to SBTi and achieved validation of alignment with a climate warming scenario of well-below 2°C.

Although the company is on track to reduce its scope 3 emissions, we believe that the target could be more ambitious. We discussed the possibility to revisit the target setting. In addition, DWS requested that the company provides more granularity on its carbon reduction initiatives with clear timelines and interim milestones. Furthermore, we discussed the company's approach towards a worldwide coal phase-out plan.

Overall, the company showed good responsiveness, a clear understanding of our expectations and a willingness to engage further.

Example of Engagement KPIs: Disclose a timeline for a worldwide phase out of coal.

Next steps: The objective is to continue our constructive dialogue in 2024 and monitor progress on DWS engagement targets.

Source: DWS Investment GmbH, 31 December2023

Management Say on Climate proposals offer shareholders a non-binding vote on carbon transition strategies. In 2023, we voted on a total of 24 Say on Climate proposals, paying particular attention to setting carbon emission reduction targets for relevant and material scopes of emissions. In 2023, we held board directors accountable by not supporting their election at two Climate Action 100+ companies for which we also did not support their 2022 Say on Climate proposal due to lack of progress:

Company A: At the 2022 annual general meeting of a diversified mining company, we voted against the management's climate transition plan for failing to set mid-term decarbonisation reduction targets for relevant and material emissions, as well as failing to factor all emissions into its 2050 net zero ambition. At the 2023 annual general meeting we voted against the chair of the sustainability committee due to a lack of progress.

Company B: We did not support their management carbon transition plan in 2022 due to a lack of short-term emission reduction targets. This was particularly concerning to us as the company was proposing new oil and gas development. Since then we have engaged with the company, however, at the 2023 annual general meeting we did not support the election of a sustainability committee member due to insufficient emission reduction targets.

We support reasonable climate-related shareholder proposals that seek to, for example, enhance disclosure or encourage the setting of meaningful emission reduction targets. In assessing such cases, we aim to follow internationally-recognised standards and guidance.

2023 examples of votes on climate-related shareholder proposals:

- Company C: At the annual general meeting of a large online retailer, shareholders voted on a proposal to report on the impact of the company's climate change strategy on a just transition concerning employees, workers along the supply chain and communities in which it operates. DWS supported this proposal.
- Company D: We supported a proposal at the annual general meeting of an oil and gas exploration and production company asking to disclose the reliability of the company's methodology for calculating methane emissions. We believe that addressing the methane emissions calculation is an important consideration for investors when reviewing the company's decarbonisation plan.
- Company E: We supported a proposal at the annual general meeting of an industrials company requesting it to regularly report on how capital expenditures will align with its net zero ambition within the transition plan. We believe such information would allow investors to more effectively assess financial risks in the context of a decarbonising economy.

Collaboration with Stakeholders

Where appropriate in accordance with our stated strategy, we continue to collaborate with many relevant stakeholders and to participate in a number of investor initiatives with the goal of minimising the impact of climate change.

The 'Stakeholder Engagement' table in the 'Supplementary Information' section in the Annual Report highlights, amongst others, our 2023 climate-related activities.

Our Progress towards Portfolio Net Zero

As a signatory to the NZAM, in 2021 DWS set itself an interim 2030 target of reducing the WACI of our in-scope assets under management by 50% relative to the baseline year of 2019, on an inflation-adjusted basis. Cumulatively in the first two years since the interim target was set, we reported a 5.2% reduction in this WACI measure.

Details of Progress towards WACI Reduction Target

The cumulative reduction of 5.2% in the WACI adj. of our in-scope assets portfolios is detailed in the table below. This reduction is the result of three main underlying effects:

1. Changes made by portfolio companies to their own carbon intensity (Step 2), which fell sharply by 7.7% in Year 2. However, as this was on account of higher overall inflation in the year, the inflation adjustment in Step 8 neutralises this effect from the final WACI reduction figure.
2. Changes to our product mix, i. e., closure of existing products or launch of new products (Steps 3 + 5)
3. Changes to portfolio holdings either due to fund flows, market movements, or other portfolio considerations (Step 4). The 6.1% increase in Year 2 from this step was due to the outperformance of high carbon intensity sectors during 2022, that raised the relative portfolio weight of these high emitters.

To put the 5.2% WACI reduction for our in-scope assets into context, the MSCI All-Country World Index over the same two-year period saw a cumulative inflation-adjusted WACI increase of 10.8%. Further details on the methodology, metrics and reconciliation of figures including an extract of our latest CDP disclosure are available in our Net Zero Annual Disclosure that can be accessed on our website.

Portfolio emission data and assets in scope of net zero

	Year 1		Year 2		Cumulative change
	CO_2 intensity	Reduction	CO_2 intensity	Reduction	
Baseline (2019 emissions on December 20 holdings)	**170.5**		**162.0**		
Step 1 – Revisions to historical carbon data	170.2		158.2	(2.3)%	
Step 2 – Self-decarbonization of portfolio companies	166.8	(2.0)%	146.1	(7.7)%	
Step 3 – Changes to DWS product mix, i. e. existing products being closed	165.8	(0.6)%	145.8	(0.2)%	
Step 4 – Changes to portfolio holdings (flows, market moves, portfolio changes)	157.0	(5.3)%	154.7	6.1 %	
Step 5 – Changes to DWS product mix, i. e. new products being launched	157.6	0.4 %	154.5	(0.1)%	
Step 6 – In-scope adjustment (post calculation)	**162.0**		**154.5**		
Step 7 – Gross change in WACI		(7.4)%		(4.6)%	(11.7)%
Step 8 – Inflation adjustment		1.2 %		6.1 %	7.4 %
Step 9 – Net WACI change (inflation-adjusted)		**(6.3)%**		**+1.2%**	**(5.2)%**

Due to a lag in reporting and availability of emissions data, the Year 2 calculations are based on DWS portfolio holdings as of year-end 2022 using the emission 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.

Assets in Scope for Our Interim Net Zero Target

Our interim net zero target applies to certain in-scope assets under management, primarily comprising equity, corporate bond and direct real estate holdings in mutual funds (ex-US) and mandates of net zero committed clients.

As of 31 December 2022, the assets under management in scope for our interim net zero target were € 302.9 billion (36.9% of our total AuM), which includes € 30.1 billion of illiquid real estate assets that are not part of the WACI calculation detailed above.

Net Zero related Actions

DWS Coal Policy: In 2023, we announced a policy outlining our approach towards investment in thermal coal companies. For our products in scope of the policy, immediate restrictions are placed on investments in companies developing new thermal coal capacity, as well as those

with a coal share of revenues greater than 25%. In addition, our coal policy calls for a complete phase-out of thermal coal in EU/OECD economies by 2030 and the rest of the world by 2040, in line with the net zero pathway laid out by the International Energy Agency (IEA). The policy is being implemented in a phased manner across in-scope products after obtaining required approvals from regulators and other relevant third-parties.

Engagement: As engagement with our portfolio holding companies is a key part of our net zero strategy, in 2023 we continued our net zero thematic engagement following similar activities in the previous two years. This applies to DWS legal entities which are subject to the DWS Engagement Policy (currently DWS Investment GmbH, DWS Investment S.A., DWS International GmbH and DWS CH AG). For 2023, we identified a number of investee companies for net zero thematic engagement based on several climate related criteria including their contribution to the overall WACI of our net zero in-scope portfolios, involvement in thermal coal activities, and the lack of a SBTi commitment on their part.

Further details of our engagement process, how we consider climate risk in engagement and proxy voting activities, as well as specific engagement case studies can be found in an earlier section of this document on 'Strategy – Active Ownership'.

Outlook

In addition to the actions already taken, we will continue taking measures towards our net zero targets. However, external factors outside our influence or our investee companies' influence also affect the WACI of our portfolios and the pace of portfolio decarbonisation. For instance, the 2022 energy price spike and its impact on the performance of high-carbon intensity companies created strong headwinds for the WACI reduction effort. While these external factors may introduce short-term volatility in the decarbonization path of our portfolios, we remain committed to achieving our portfolio net zero targets.

Becoming and Maintaining Operational Net Zero

We have continued to demonstrate our commitment to reducing corporate operational emissions in 2023. Our approach remains anchored in science-based methodology, specifically the SBTi Paris Agreement aligned 1.5°C pathway, and targets the implementation of emission-reduction strategies that prioritise the reduction and avoidance of our operational emissions.

We have sustained momentum towards realising our 2050 net zero goal and 2030 interim emission targets and remain on track to deliver against both our near-term and medium-term operational sustainability KPIs (please refer to the 'Metrics and Targets' section).

The operational emission boundary against which we are reporting quantified emission reductions includes all of our scope 1 and scope 2 emissions as defined by the GHG protocol, namely emissions from our corporate real estate and fleet scheme, as well as our scope 3 emissions from business travel. We also target meaningful impact across our supply chain but do this on a non-quantified basis due to limited data availability. Our boundary and approach remain subject to formal SBTi validation and have been developed in accordance with the latest methodology.

For sources of emissions within our proposed boundary, we have developed our implementation plan to deliver quantified emission reductions. This plan applies the decarbonisation hierarchy to prioritise strategies that help to avoid or reduce emissions where optionality exists. Implementation is already well underway and directly contributing progress year-on-year.

At a high-level the core emission reduction strategies are as follows:

- Corporate real estate – to rightsize offices against the needs of our people and invest in occupying energy efficient spaces. While we are typically one of several tenants in a building and do not have full operational control, we are working with both Deutsche Bank and landlords to ensure that all parties are investing in reducing the energy intensity of our office spaces. We have also made significant progress towards our target of sourcing 100% renewable electricity, and are on track to meet our commitment to 100% renewable energy across all locations in which we operate by 2025
- Corporate fleet scheme – to transition to a zero-carbon fleet latest by 2030. Changes to the fleet scheme that we participate in alongside Deutsche Bank and vehicles offered to employees have already seen a marked shift towards adoption of electric vehicles

compared with our baseline year, and we remain committed to ensuring a full transition by 2030
- Business travel – both to reduce the volume of travel undertaken and also to promote the adoption of greener modes of travel where possible. We also work to ensure that only essential travel is undertaken and have embedded emissions budgeting across all divisions.

Outside of our core emissions boundary we have also made meaningful progress in the following areas:

- Purchased goods and services – our vendors are subjected to ESG screening through a sustainability rating agency ahead of being engaged. Further due diligence assessment is to be performed for vendors with a sustainability risk that is high, or medium when we have a significant spend concentration. If results indicate environmental or human rights risks, we either will not work with them, or will require them to demonstrate greater action or commitment ahead of work commencing. This is one of several processes that support integration of the German Supply Chain Due Diligence Act in our third-party selection processes.
- Employee commuting – our employees are better equipped to adopt greener modes of transport, facilitated through initiatives such as the availability of "Deutschlandticket" for public transport in Germany, and a "bike2work" scheme that is offered in many of our locations.

A further key achievement in 2023 has been the successful completion of initial audits to obtain ISO 14001 Environmental Management Standard certification across three of our core office locations. This supports not only the emission reductions delivered, but also the robustness of processes we have implemented to ensure effective management of the impact of us doing business on our environment and stakeholders. We remain committed to increasing the quality of our processes going forward.

Finally, creating a climate-conscious culture continues to be a priority, and we are utilising both our "Sustainability Think Tank", an employee-led sustainability forum, and "Sustainability Hub" as resources to share information, tools and offer voluntary staff training to enable educated decision-making across our people on how they can reduce their climate impact, both inside and outside of the office.

Risk Management

We made progress on the integration of adverse impacts in our risk management framework, sustainability risk management policy, and risk appetite statement.

TCFD Recommendations

a) Describe the organisation's processes for identifying and assessing climate-related risks.

b) Describe the organisation's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Risk Management

GRI 201-2

The integration of climate and other sustainability risks in the risk management framework is described in the Annual Report section 'Summarised Management Report – Risk Report – Risk Framework – Risk Management – Sustainability Risk and Adverse Impacts to the Environment and Society'. Sustainability risks, including climate-related risks, are considered in the main building blocks of the framework.

The following table contains physical and transitional climate risk factors considered within our climate-related risk assessments, where relevant:

Physical and transitional climate risk factors

Current and emerging regulation	Transitional climate risks due to existing and emerging regulation are considered in the assessment of risks at the corporate and portfolio level. This comprises regulations and industry-specific regulations, which can be relevant for the investment market risks of our portfolios.
Technology	Transitional climate risks from technological change and breakthroughs during the transition to a carbon-neutral economy. This is especially relevant when assessing the transitional climate risk of investee assets and companies at the portfolio level.
Legal	Legal risks at the corporate level are considered especially in the context of compliance with regulatory requirements for sustainable finance. Furthermore, legal risks may arise in the case of greenwashing. At the portfolio level, legal aspects related to climate change, such as litigation for contribution to climate change or for violating climate laws or regulation, may be relevant for investee companies and thus contribute to investment market risk.
Market	Transitional climate risks due to market changes are considered in the assessment of risks at the corporate and portfolio level. At the corporate level, changing client preferences in the consideration of climate risk and other sustainability aspects in investment products can lead to strategic risks. At the portfolio level, market expectations are particularly relevant as factors of investment market risks.
Reputation	The reputational aspects of climate risks are an important driver of reputational risks of our company. These risks can arise from investments in companies that are involved in activities perceived to be unsustainable, and potentially unsustainable practices by ourselves.
Acute and chronic physical climate events	At the corporate level, acute physical climate events are covered in contingency planning. At the portfolio level, acute physical climate events such as storms or floods can potentially damage or destroy assets and thus impact their value. Long-term physical climate change effects are especially relevant as a driver of investment market risk at the portfolio level.

The inclusion of selected quantitative indicators in our risk appetite statement aims to enable the management of climate related risks. An overview is provided below:

Overview of selected quantitative indicators in the risk appetite statement

ESG risk theme group	Qualitative Risk Appetite Statements	Example quantitative metrics
Adverse impacts	Strive to establish policies to limit and reduce the adverse impacts of our corporate activities, the activities of investee companies, real assets, clients or suppliers to the environment or the society. Where appropriate, engage with major investee companies, clients, suppliers, and other stakeholders, transform the product offering including underlying real assets.	Portfolio carbon emissions
		Selected sector exposures
Sustainability impacts on non-financial risks	We have no appetite for ESG-related regulatory and legal violations. While further ESG-related non-financial risks are inherent to our business strategy, we strive to avoid material impacts from sustainability factors on non-financial risk types – and aim to maintain an effective control environment to keep the risks "as low as reasonably possible".	Number of operational errors in processing ESG-related data
		Number of validated fraud incidents related to ESG matters
Sustainability impacts on financial and strategic risks	Establish effective processes to identify and assess ESG impacts on financial and strategic risks; consider such ESG impacts in the decision-making processes in line with our ESG strategy.	Achievement rate for sustainability KPIs
Sustainability impacts on investment risks	Strive to establish product level risk governance and risk appetite frameworks to ensure that sustainability risk taking is in line with the respective risk profile of the product or portfolio.	Number of funds with mismatch between sustainability risk profile and agreed risk appetite, where an escalation was required

The 'Risk Report' describes how sustainability risks, including climate-related risks are considered in the risk management processes for the different risk types.

Risk management processes on corporate level for financial and non-financial risk management processes consider climate-related risks, where relevant. For more information, please refer to the Annual Report sections 'Summarised Management Report – Risk Report –

Financial Risk' and 'Summarised Management Report – Risk Report – Non-Financial Risk' for more details.

In the fiduciary sustainability risk process for liquid asset classes, as described in Annual Report section in the 'Summarised Management Report – Risk Report – Fiduciary Investment Risk – Fiduciary Investment Risk (Traditional Asset Classes)', the climate risk profile of a portfolio is identified and assessed considering the DWS Climate Transition Risk Assessment as well as the DWS Norm Controversy Assessment (including climate-related controversies). In addition, selected climate-related signals were considered within counterparty risk and issuer concentration risk processes.

The approach for fiduciary sustainability risk management in alternative asset classes described in the Annual Report section 'Summarised Management Report – Risk Report – Fiduciary Investment Risk –Fiduciary Investment Risk (Alternative Asset Classes)' includes the identification and assessment of climate factors, where relevant for the asset class.

Metrics and Targets

We received a CDP score of B, in line with our ambition.

We significantly increased our corporate engagements and proxy voting activities in EMEA and APAC.

We are reporting absolute scope 3 portfolio emissions for the first time.

TCFD Recommendations

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Metrics and Targets

GRI 305-5

We have separated our group level metrics into three categories:

- **Business metrics:** these metrics help measure our sustainability performance and achievement of our sustainability strategy.
- **Corporate emissions metrics:** these metrics are used to oversee our operational net zero strategy.
- **Portfolio emissions metrics:** these metrics provide transparency of the emissions from our portfolio companies in the context of our NZAM commitment. They are used to oversee our portfolio net zero strategy.

Our most important metrics are defined as Sustainability KPIs, as reported in the Annual Report section 'Summarised Management Report – Our Responsibility – Sustainable Action'.

In addition, in this section we disclose details of metrics used at investment level and metrics covering SBTi/TPI portfolio alignment.

Business metrics

Metric	Definition	How this relates to our climate strategy, risks and opportunities	Full year 2021	Full year 2022	Full Year 2023	Medium-term ambition
ESG AuM[1]	Products that meet our definition of ESG AuM	Growing our ESG AuM represents a business opportunity for us to deliver sustainable solutions to meet client demand.	€ 115.2 bn.	€ 117.0 bn.	€ 133.5 bn.	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
Corporate engagements	Number of corporate engagements addressing ESG and additional topics	Through engagements and voting we can exert influence in our investee companies. We seek to assess their climate-related risks and opportunities, reduce their emissions, and strengthen their climate disclosures.	581	532	624	Conduct 475 or more corporate engagements per annum by 2024
Proxy voting: number of companies voted (EMEA and APAC)	Number of companies whose meetings we submitted votes at.		2,426	2,897	4,068	N/A
Proxy voting: number of companies voted (US)			6,879	6,777	6,791	
Sustainability rating	CDP score measures our disclosures, awareness and management of environmental risks and best practices associated with environmental leadership.	The CDP score acts as a mechanism to drive improvements in our disclosures and environmental performance in relation to climate-related risks and opportunities.	B	A-	B	Maintain or improve our CDP (Climate change) B score by 2024

[1] As of period end. For details on ESG product classification, please refer to the Annual Report section 'Summarised Management Report – Our Responsibility – Our Product Suite'.

Corporate emissions metrics

Metric	Definition	How this relates to our climate strategy, risks and opportunities	Full year 2021	Full year 2022	Full Year 2023	Medium-term ambition
Energy consumption[1]	% reduction in total energy consumption measured in GWh compared to 2019 baseline	For more details, please refer to 'Our Progress towards Portfolio Net Zero' and 'Becoming and Maintaining Operational Net Zero'	(21)%	(28)%	(33)%	N/A
Electricity from renewable energy sources[1]	Electricity consumption from renewable energy sources in GWh/total electricity consumption in GWh.		95%	96%	97%	
Scope 1 and 2 operational emissions[1]	% reduction in scope 1 and 2 emissions compared to 2019 baseline. KPI is tracked as part of our net zero commitment to reduce our operational emissions by 2030.		N/A	(63)%	(64)%	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)
Scope 3 operational emissions (travel – air and rail)[1, 2]	% reduction in air and rail travel emissions compared to a 2019 t/CO_2 baseline. KPI is tracked as part of our net zero commitment to reduce our operational emissions by 2030.		N/A	(52)%[3]	(42)%	
Absolute scope 1 emissions[4]	Scope 1 emissions are direct emissions from owned or controlled sources.		1,243	976	889	N/A
Absolute scope 2 emissions (market-based)[4]	Scope 2 emissions are indirect emissions from the generation of purchased energy. For us this primarily relates to our corporate real estate.		1,451	1,218	1,237	
Absolute scope 2 emissions (location-based)[4]			5,614	5,265	6,208	
Absolute scope 3 operational emissions (travel – air and rail)[4]	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in our value chain. For us we currently report scope 3 emissions for business travel (air and rail).		767	3,356	4,020	

[1] 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.
[2] DWS Group flight data is sourced from Deutsche Bank Group and the associated air emissions are calculated using Deutsche Bank Group methodology.
[3] Prior year data updated due to revised methodology (previously (50%)).
[4] Measured in tCO_2e.

Portfolio emissions metrics

Metric	Definition	How this relates to our climate strategy, risks and opportunities	Full year 2021	Full year 2022	Full Year 2023	Medium-term ambition
Scope 3 portfolio emissions (net zero) – inflation adj. WACI	Cumulative inflation-adjusted change in the WACI of the assets in scope of the NZAM commitment compared to our baseline year 2019	For more details, please refer to 'Our Progress towards Portfolio Net Zero' and 'Becoming and Maintaining Operational Net Zero'	N/A	(6.3)%[1]	(5.2)%[2]	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)
Assets in scope of net zero (in %)	The % of total AuM covered by the NZAM commitment		35.4%	38.6%	36.9%	
Assets in scope of net zero (in € bn.)	The € value of AuM covered by the NZAM commitment		€ 281.2 bn.	€ 358.0 bn.	€ 302.9 bn.	
Absolute scope 3 portfolio emissions (in tCO_2e)	Scope 3 portfolio emissions refers to the scope 1 and 2 emissions of the companies and assets within our investment portfolios. For us the scope of data includes listed equities, corporate bonds and direct real estate		N/A	33,463,924[3]	30,232,159[4]	N/A
SBTi portfolio coverage	Proportion of liquid equity and bond assets that have committed to develop or have an approved Science Based Target (SBT)		41.3%	51.0%	48.8%	

[1] 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-84c9-141abbacb531&consumer=E-Library).
[2] 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).
[3] Refers to our emissions for 2020 based on an Enterprise Value including Cash approach. Overall the emissions data for 58% (portfolio coverage) of total DWS AuM as of year-end 2021 has been considered for the calculation of this metric.
[4] Refers to our emissions for 2021 based on an Enterprise Value including Cash approach. Overall the emissions data for 57% (portfolio coverage) of total DWS AuM as of year-end 2022 has been considered for the calculation of this metric.

Note: The Adjusted WACI is currently only calculated for liquid in-scope AuM where carbon data is available from our current vendors.

Fiduciary Sustainability Risk related Metrics for Liquid Asset Classes

We have established a fiduciary portfolio sustainability risk governance process to identify, measure, manage and report climate-related risks for our funds, as described in the 'Risk Management' section. The portfolio-level metrics are being checked regularly against fund specific sustainability risk appetites. Given that the results of these metrics are being monitored on product level, they cannot be represented meaningfully in an aggregated manner at Group level.

Fund level metrics: definitions and usage

Metric	Definition	How this relates to our climate strategy, risks and opportunities
Market-weight Exposure to ESG laggards (%)	A fund's allocation to ESG laggard companies related to Climate Transition Risk and Norm Controversies. Measured on absolute or relative base depending on benchmark definition.	Having an independent governance framework in place to ensure fund-specific control of exposure and risk taking versus defined sustainability risk appetites is helping to strengthen our funds' climate risk and opportunities profile while not violating our fiduciary duties to our clients.
Risk contribution to ESG laggards (%)	A fund's risk contribution to ESG laggard companies related to Climate Transition Risk and Norm Controversy. Measured on absolute or relative base depending on benchmark definition.	

Asset Management Supplemental Metrics

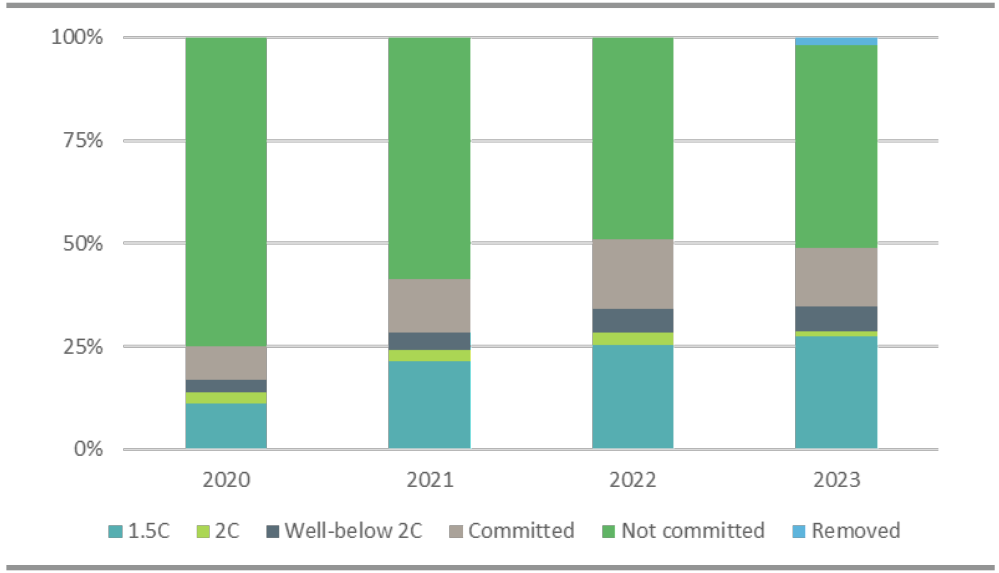
In line with the supplemental guidance by TCFD to provide metrics considered in investment decisions and monitoring, we have been tracking our portfolio's SBTi and Transition Pathway Initiative (TPI) coverage since 2020.

We note that there is no market agreement on the "right" forward looking climate benchmarks.

Portfolio Coverage of Companies with Science-Based Targets (SBTs)

Our liquid asset portfolio coverage of companies with Science Based Targets (SBT) was assessed across equities and corporate bonds in Active, Passive and Liquid Real Assets, which together are 61% of our total AuM as of end of 2023. Data on status of companies' SBT is part of the DWS ESG Engine. A rapidly growing number of publicly listed and private companies are committing to the SBTi. In 2023, SBTi removed some companies from their database that had not submitted their net zero target to the SBTi for validation within 24 months of their commitment to develop a science based target. As of 2023, 49% of liquid equity and bond assets had committed to develop or had an approved SBT. In 2020 only 25% of our portfolio had committed to set or had a validated SBT.

Our SBTi portfolio coverage over time



Source: DWS, SBTi; 2023.

The SBTi portfolio coverage analysis is different from our interim net zero target framework, which includes equities, corporate bonds, and Liquid Real Assets. Also note that our net zero target framework includes many direct real estate and infrastructure investments, primarily in mutual funds, but also in selected individually managed institutional accounts.

The net zero target framework excludes assets of legal entities in geographic locations that have known regulatory requirements regarding any change to investment processes, including the requirement to obtain approval from independent fund boards regarding the inclusion of assets within the framework. While the net zero framework has these exclusions, the SBTi portfolio coverage analysis in the Annual Report includes assets held in all equities, corporate bonds, and Liquid Real Assets across all mutual funds and mandates globally.

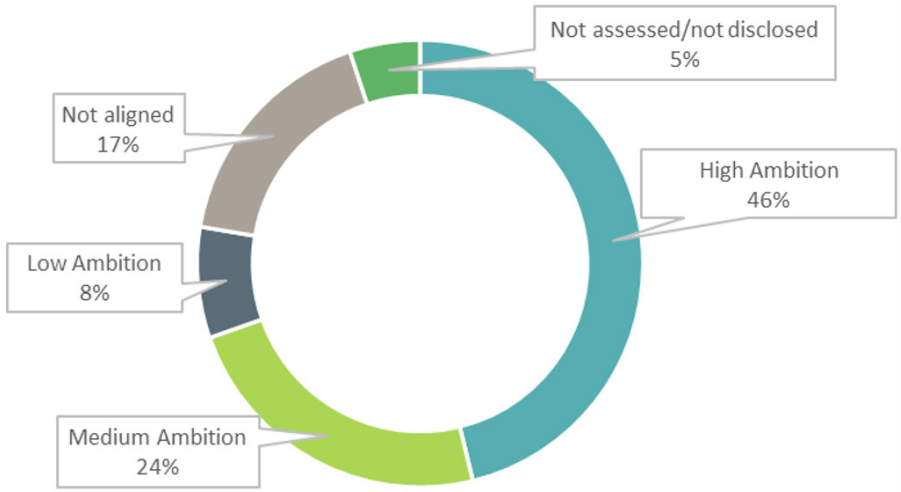
Forward-Looking Benchmark: Transition Pathway Initiative's Sectoral Decarbonisation Benchmarks

To follow TCFD's recommendation to disclose performance against a forward-looking benchmark, we use the asset owner led Transition Pathway Initiative (TPI) Carbon Performance in 2050. We are a supporter of the Transition Pathway Initiative, and the initiative's data is included in the data used by the DWS ESG Engine. While commitment to a SBT is an important step for a company, evaluation is also needed on whether a company is making progress towards their target. Transition Pathway Initiative's carbon performance metrics focus on how company plans compare to the targets of the Paris agreement. The evaluation uses International Energy Agency (IEA) modelling to translate emissions targets into benchmarks by sectors, against which the performance of individual companies can be compared. This methodology is known as the Sectoral Decarbonisation Approach. We acknowledge that there are some differences between the Transition Pathway Initiative's and SBTi's benchmarks, but the Transition Pathway Initiative states that both models have their merits. We expect that forward looking carbon metrics will continue to evolve.

The Transition Pathway Initiative analysis currently focuses on the largest companies in the most carbon intensive sectors. The Transition Pathway Initiative continued to update their Carbon Performance methodologies in 2023, making the Transition Pathway Initiative disclosure in our prior Climate Reports not directly comparable.

The Transition Pathway Initiative assessed companies in our equities and corporate bonds in Active, Passive and Liquid Real Assets representing USD 50 billion AuM, representing some of the most carbon intensive companies in our portfolio. As the Transition Pathway Initiative's analysis of companies and sectors expands, this will cover more of our portfolio over time. Within these holdings, 46% of the investments are in companies with an emissions trajectory that has a strong climate ambition, 24% medium ambition, 8% low ambition with 17% not aligned.

Transition Pathway Initiative (TPI) carbon performance assessment 2050 of our most carbon intensive liquid AuM



Source: DWS, TPI 2023.

Glossary

Term	Meaning
APAC	Asia-Pacific
AuM	Assets under Management
CDP	Former Carbon Disclosure Project: Sustainability rating with focus on climate change
CIO	Chief Investment Officer
Climate Action 100+	Investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change
Climate neutral	The concept of climate neutrality refers to a state where human activities result in no net effect on the climate system. To achieve such a state, relevant bio-geophysical changes due to human activities (e. g., changes to earth's surface reflectivity or a regional water system) would need to be avoided and net zero emissions would need to be achieved. For reference see https://sciencebasedtargets.org/resources/files/foundations-for-net zero-full-paper.pdf
CO_2	Carbon dioxide
Company	DWS Group GmbH & Co. KGaA, a German partnership limited by shares (Kommanditgesellschaft auf Aktien)
COVID-19	Corona Virus Disease 2019
CSR	Corporate social responsibility
CSRD	Corporate Sustainability Reporting Directive
CTR	Climate and Transition Risk Assessment – Our ESG Engine enables a tailored ESG advisory offering to our institutional clients. A key component is the in-house Climate and Transition Risk Assessment.
CVaR	Climate Value at Risk
DWS Group	DWS Group GmbH & Co. KGaA and its subsidiaries
DWS KGaA	DWS Group GmbH & Co. KGaA
EMEA	Europe, Middle East and Africa
ESG	Environmental, Social and Governance
ESG Engine	The DWS ESG Engine is a proprietary software system that combines the different perspectives and approaches of five leading external data providers
ETF	Exchange traded fund
EU	European Union
GHG	Greenhouse gas
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
Group	DWS Group GmbH & Co. KGaA and its subsidiaries
GWh	Gigawatt hour
KPI	Key performance indicator
M&A	Mergers and acquisitions
MSCI	Morgan Stanley Capital International
N/A	Not applicable
NZAM	Net Zero Asset Managers initiative
OECD	Organisation for Economic Co-operation and Development
PRI	Principles for Responsible Investment
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal(s) of the United Nations (overview of SDGs: https://sustainabledevelopment.un.org/sdgs)
SFDR	Sustainable Finance Disclosure Regulation
t/CO_2e	Tonnes per carbon dioxide (equivalent)
TCFD	Task Force on Climate-related Financial Disclosures
UK	United Kingdom
UN	United Nations
US/USA	United States (of America)
WACI	Weighted average carbon Intensity
WACI (adj.)	(inflation-adjusted) weighted average carbon intensity
Xtrackers	Exchange Traded Funds offered within the Passive business of DWS Group

Imprint

GRI 2-1; 2-3

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Cautionary statement regarding forward-looking statements

This 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.

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